JPRS 78418

30 June 1981

East Europe Report

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2143

FBIS FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available from Bell & Howell, Old Mansfield Road, Wooster, Ohio 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

JPRS 78418

30 June 1981

EAST EUROPE REPORT

ECONOMIC AND INDUSTRIAL AFFAIRS

No. 2143

CONTENTS

CZECHOSLOVAKIA

Results, New Tasks of Price Controls Discussed
(Bedrich Habart; FINANCE A UVER, No 2, 1981) 1

GERMAN DEMOCRATIC REPUBLIC

Greater Volume in Rail Freight Transport Urged
(Guenther Knobloch Interview; EISENBAHNPRAXIS, Apr 81) 12

HUNGARY

Trade With Soviet Union Detailed
(HETI VILAGGAZDASAG, 9 May 81) 25

POLAND

Grain, Potato Production for 1980-1981 Predicted
(Leslaw Zalewski; RADA NARODOWA GOSPODARKA ADMINISTRACJA,
7 Mar 81) 27

ROMANIA

Measures To Improve Use of Production Capacity Studied
(Ioan Mihai; REVISTA ECONOMICA, 17 Apr 81) 33

Importance of Reducing Production Costs Stressed
(Gh. Sica; REVISTA ECONOMICA, 17 Apr 81) 37

Workers, Soldiers, Students Sent To Work in Mines
(SCINTEIA, 16 May, 2, 3 Jun 81) 42

Some 7,000 Helpers in Gorj
Calimani, Cimpu lui Neag Campaigns Launched
Assistance in Increasing Sulphur Yields, by
Dionisie Sincan, Sava Bejinaru
Help in Mineral Coal Mining, by Sabin Cerbu
Assistance in New Mine in Horezu-Vilcea, by
Ion Stanciu

Features, Progress of Danube-Black Sea Canal Discussed
(Vasile Ionel; REVISTA ECONOMICA, 8 May 81) 48

Experimental Robot for Presses Installed in Bucharest Plant
(Vlaicu Radu; SCINTEIA, 24 May 81) 52

YUGOSLAVIA

Lack of Foreign Exchange Hits Metals Industry
(PRIVREDNI PREGLED, 10 Apr 81) 53

Slovenian Projects in Underdeveloped Republics
(PRIVREDNI PREGLED, 20 May 81) 54

CZECHOSLOVAKIA

RESULTS, NEW TASKS OF PRICE CONTROLS DISCUSSED

Prague FINANCE A UVER in Czech No 2, 1981 pp 73-80

[Article by Eng Bedrich Habart, chairman of the Czech Price Bureau: "Results and Tasks of Price Controls"]

[Text] As an inseparable part of price management, price controls help implement the economic and social program of our party and of our state in all socioeconomic relations.

During the preceding development, price controls played an important role in the implementation of the policies launched by the new leadership of our party and in particular they helped stabilize prices and enforce price discipline in every sector of our national economy and thus, consolidated the social security of our population. Their uncompromising procedures against violators of price discipline helped create a favorable atmosphere for realistic fulfillment of demanding tasks whose results may be recognized in every area.

During the 1970-1974 price freeze, their main method involved followup controls of prices earned by production enterprises. The objective during that stage was to eliminate shortcomings in prices that had developed during the preceding period of a more arbitrary price mobility and to apply strict sanction in order to strengthen price discipline on every level of management.

During the following period, in other words, after the issuance of new price regulations valid as of 1 January 1974, price controls continued employing the experience gained in the process of enforcing strict price discipline; however, in accordance with the objectives of price policies, they focused at the same time increasingly more intensively on preventing the development of shortcomings. The controls were more conspicuously integrated in the stage of the preparations for political price measures both in the sector of wholesale prices acting in the production area as well as in the sector of retail prices. Demonstrably successful results were achieved, for example, in the planning and implementation of a comprehensive overhaul of wholesale prices as of 1 January 1977 which in accordance to the stipulated directives was to render the price system more realistic and to enhance its positive effect on our national economic development. Price controls helped disclose shortcomings which then could be dealt with promptly, even before the new wholesale prices became valid.

During the Sixth Five-Year Plan, price controls followed the directives stipulated by the 15th CPCZ Congress. In the price area, those directives were focused on systematic consolidation of the function of wholesale prices as a criterion while simultaneously respecting the necessary price effects on the technological development, improvement of quality of goods, supplies of required quantities, quality and selection of products for our domestic market, and so on.

Increased attention was focused on capital investment, with particular emphasis not only on the accuracy of the prices but mainly on the accuracy of the invoiced quantity and quality of projects and deliveries. Systematic detection of shortcomings in this area generates an impulse to establish a comprehensive control system in the area of capital investment encompassing all organs operating in that particular area--from planning to final implementation.

The development of decisive inputs is of essential importance for the development of social costs, especially the costs of imported raw materials, materials and products. Over the past years, the controls paid more attention to such problems, particularly in conjunction with measures regulating the prices of imports. This led to disclosures of shortcomings in the operation of foreign-trade organizations, especially in correct pricing of imported goods, and on the basis of such disclosures steps were taken to increase pressures so as to achieve greater efficiency of imports and of their effect on production and final consumption.

In cooperation with other authorities controlling retail prices, considerable attention was focused also on the compliance with price discipline in pricing new consumer goods and on the observation of their stipulated quality and fair sales practices. The changes implemented in retail prices of certain products and price incentives for fashion and luxury goods and top-quality products were also tested for their efficiency. Information gathered by such controls was applied particularly in price-setting measures, among other things, so as to adjust the effect of pricing of imported goods in retail and to regulate the amount and preferential price treatment of fashion and luxury products. The objective of those measures was a stricter approach by appropriate testing institutes when classifying products in preferential price groups and regulating amounts of such products for delivery to our domestic market, with priority to supplies of basic types in demand at lower prices.

Despite all such control and price-policy measures, however, it cannot be said that ideal conditions have been achieved in every sector. New and more demanding tasks which are developing are accompanied by problems, among other things, in conjunction with foreign and domestic economic effects, such as, for instance, the necessity of more rational consumption of every kind of energy, the escalating prices of raw materials in world markets, etc.

At present the draft of the statutes and the fulfillment of tasks of the Seventh Five-Year Plan are imposing new demands on us, linked with the implementation of the already approved Set of Measures for Improving the Planned Management System of National Economy After 1980. New stipulations are being outlined for price management and thus, also for price controls from which particularly higher significance of prices for an efficient fulfillment of the tasks in the economic development and implementation of social programs may be derived.

Previous results of control activities in the price area must be reviewed and conclusions must be drawn from them for the approaching period.

Chracteristics of the Situation of Price Discipline Achieved in the Sixth Five-Year Plan

In the early 1970's, relatively large amounts of illicitly obtained funds that had been revealed as a result of price controls were siphoned off as surtaxes in the state budget. Thus, in the 1970-1973 period, funds obtained illicitly in the CSR amounting to Kcs 1,585,000,000, i.e., on the average Kcs 396 million annually, were disclosed as being in violation of price regulations. On the other hand, the illicitly gained funds disclosed by price controls over the following 4 years amounted to only Kcs 540 million, i.e, an average of Kcs 135 million per year.

Although the total extent of the funds illicitly obtained by violating price regulations was affected by the fact that price controls focused largely on planning for a comprehensive overhaul of wholesale prices applicable as of 1 January 1977, it still reflects to some degree a trend in the development of price discipline. Moreover, preventive audits of the documentation for the planned restructure in 1974-1977 demonstrated their efficiency when they disclosed in time that the proposals for new wholesale prices had been overestimated by Kcs 1.6 billion, which situation was promptly remedied. This also confirmed unambiguously the advantage of involving specialized price-control authorities in the planning of important price measures, which is now an accepted procedure in planning price regulations.

As for price controls, the question to be posed first is how to assess the situation achieved in price discipline. The answer is far from simple because relevant conclusions cannot be drawn, for example, only on the basis of the above-mentioned development of the amount of illicitly obtained funds. It is difficult to determine the situation of price discipline because of the very limited control capacities in relation to the amount of prices existing in our national economy, estimated in the order of 2 million, as well as in relation to the number of employees who deal directly or indirectly with prices and who are incomparably more numerous than control specialists. In addition, the fluctuating direction of control operations affects this area, especially wholesale prices.

Nevertheless, certain indicators are applicable, such as the number of controls which disclosed violations of price regulations. The share of controls which determined pricing irregularities rose from 1976 to 1979 to almost 44 percent (previously this share amounted to about 22 percent of the total number of controls). At the same time the share of irregularities ascertained by the Czech Price Bureau remained on approximately the same level.

The volume of illicitly gained funds ascertained by all organs of the price control system may serve as another indicator. This indicator demonstrated another increase in the period from 1976 to 1979 as compared with 1976, when illicitly earned funds amounting to Kcs 103 million had been disclosed; in 1979 such funds amounted to Kcs 147 million. Thus in comparison with the early 1970's, there was no conspicuous difference because, for instance, in 1974 such funds amounted to Kcs 161 million.

A more objective indicator of the standard of price discipline is based on controls of ascertained overpricing in relation to the volume of values which were the subject of the controls. In 1973-1975, it represented 2.9 percent and in 1976-1979 2.8 percent. Tendencies to overprice continued to be evident when proposals and documentation were submitted to price organs for pricing of new products and their purpose was to attain more advantageous prices.

From such experience and results of controls in the price area, it follows that during the Sixth Five-Year Plan no substantial improvement was evident. Some negative trends continued, particularly the hidden price increase motivated by the prospects for easier fulfillment of planned indicators. The opportunity of following this motivation, albeit in contradiction to the regulations in force and to social interests, is more powerful than the risk of a disclosure by controls and of punitive measures.

Main Shortcomings Ascertained

A socially efficient fulfillment of economic tasks is predicated on the maintenance of prescribed standards. The management of pricing for new products which is subordinated to that premise goes hand in hand with the effort to continue expanding the range of products whose prices are set by more reliable methods respecting this basic premise. It is very difficult to assess the fulfillment of that requirement, especially if the prices are to express objective social costs and if individual prices deviate from those costs in order to affect production or consumption. Therefore, in practice there are differences in views, for instance, on the problem of the relation between prices and the utility value of goods, particularly when pricing new products with a higher level of innovation.

However, experience gained by reviews of price proposals submitted for approval to price authorities as well as from subsequent controls of correct pricing indicates that the proposals are frequently overpriced in elementary and usually demonstrable violation of the price standards. Therefore, this does not mean any complicated problems of applying the relations between the prices and the utility values to improve the preconditions for the fulfillment of the plan but evident price increases of certain goods in the interest of a putative "better" fulfillment of the assigned tasks.

This concerns primarily overestimation of the very basis for pricing, i.e., estimates of direct costs of the material and labor, particularly in prices determined on the basis of individual calculations (on principle, individual calculations should be used only exceptionally, primarily for products that are hard to compare). Technically unjustified higher norms for the concumption of materials, estimates for different, more expensive materials than those to be used later in the production, overestimation of gross consumption in the calculation, overpricing of materials in cost estimates against the prices in force, etc., have been frequently disclosed in this particular area.

Analogically, overpricing stemming from incomplete technological documentation, estimated output norms, incorrectly classified work, obsolete technological operations which the actual production does not follow, etc., have been disclosed in labor calculations.

Thus, such irregularities in planning for production and in pricing documentation stem either from negligence or intent so that the manufacturer may gain unfair advantages.

Price regulations with potential overvaluation of individual estimates consider the possibility of overpricing individual estimates and thus, they stipulate mandatory review and possible subsequent modification of the original price according to the resultant costing. Nevertheless, this is often not done and higher prices are corrected only after the completion of subsequent controls by appropriate authorities.

However, such shortcomings affect pricing on the basis of costing comparison because in most cases the justification of the proposed price may be verified only on the basis of various general indicators which often fail to disclose potential overpricing. In such cases, all that can be done is to examine in depth the technical and technological documentation, which of course in case of complex products requires considerable expertise and is quite laborious.

Overpricing of direct production costs together with increased indirect costs of overhead and calculated profits in relation to those costs in turn raises the price considerably. This is espeically evident in the prices of machine engineering products determined on the basis of individual costing, or as the case may be, of costing comparison, in individually calculated construction or assembly-type projects (the so-called R-items) and in individually calculated repair projects.

Thus it is fair to say that the rate at which such shortcomings occur equals the rate (extent) of individual calculations and costing comparisons used in specific branches and sectors. Despite the changing trends of price controls in individual years, such shortcomings still represent the most essential factor in disclosures of irregularities. They still cause about 45 to 50 percent of the volume of illicitly obtained funds.

Signals indicating extensive violations of the relation between the prices and the stipulated quality of products have recently been increasingly more evident in the area of production funds as well as in the area of consumer goods.

Organs of price controls are encountering specific violations of the qualitative requirements stipulated by technical standards, conditions or technical documentation constituting the basis for pricing. Such violations are then reflected in relative increases of wholesale prices which were found to amount in some instances up to 10 percent.

In consumer goods, agricultural products and products of the food industry, the quality stipulated by Czechoslovak state standards is often violated; mandatory regulations concerning the use and disposition of substitutes for raw materials and materials, necessitated by the situation of supplies and production, are also frequently violated. Special control organs supervising quality achieved approximately identical results in this respect.

In general, the relation between the prices and the quality of products is linked with their innovation, which is vitally important for our national economic development as well as for the fulfillment of a given social program.

In this connection, one of the basic problems stemming from practical assessments of various levels of innovations, for example, of consumer goods, should be pointed out. The results of controls in the past periods and the statistically verified data demonstrated, for instance, that the efficiency of the subsidies for innovation based on preferential pricing of so-called first-quality goods and fashion and luxury products, depends to a considerable degree on the way appropriate state testing institutes approach the evaluation of submitted products.

The steadily rising level of innovations of technological sophistication, quality and fashion standards of products in the world market is a result of stiff competition and growing demands voiced by consumers. The standards of the testing institutes must fully and steadily reflect that level in their evaluation of goods and application of individual price incentives. This criterion cannot be relaxed; on the contrary, following the introduction of the "adjusted value added" indicator and its correlation with material incentives the manufacturers' economic profits from price incentives will dramatically escalate and therefore, it may be logically and fairly expected that the criteria of valuation will be raised even further.

All the known violations of price discipline are evident mostly in the area of capital investment, both in supplies of products and in supplies of construction or assembly works.

It may be assumed on the basis of long-term results of price controls in this area that price effects share roughly 3 percent in increases of prices for capical investment (as per results reported for the period from 1973 to 1979).

This may not seem very significant in terms of total costs of capital investment over that period, however, it is noteworthy as well as undesirable that this share of violations ascertained in the Sixth Five-Year Plan is 0.4 point above the preceding 2-year period of 1974-1975.

In most instances, however, the controls disclosed invoicing of more construction and assembly works than actually delivered, overpricing based on individual costs calculations (the so-called R-item), substitutions of catalogue prices (lower for higher), violation of regulations on hourly accounting rates, violations of conditions regulating quality and deliveries, and incorrect higher prices for auxiliary and additional budget costs. Such irregularities ascertained in 1977 in selected centrally controlled construction projects represented, for instance, overpricing in the amount of 6.7 percent of the controlled volume of projects, in 1978, topical review of insulating jobs disclosed irregularities amounting to 7.2 percent, etc.

Despite such disclosures it cannot be said that incorrect prices are the main cause of higher investment costs. There is evidence that in essence the shortcomings under criticism stem primarily from additional changes in construction plans and technology (materials) which as a rule introduce more expensive designs than those originally planned. Nevertheless, the price effect cannot be underestimated.

This undesirable situation is caused, among other things, by inefficient control of prices and quality of products and work by the consumer.

Controls of prices of goods, work and services procured by the consumer represent one of the weakest links in management. It is quite astonishing how benevolent is the approach to payments of invoices, especially those for various work and services, without checking in due manner whether the invoices agree with the actual scope and quality of the work and services. This may be attested by selective control investigations of consumers, which have disclosed most shortcomings precisely in the area of investments. This is evidently due to the fact that capital investment is financed largely from budget funds where the economic pressures on their efficient use are far less powerful than in the disbursement of the funds owned by the organizations themselves.

The ascertained shortcomings and occasionally also flagrant irregularities are not related exclusively to central capital investment but also to other construction programs--even the so-called small construction industry. Thus, an audit of scaffolding and building maintenance in 1978 disclosed that the controlled volume had been overpriced by more than 30 percent. Controls of construction and assembly work in organization of small construction industry and in the production associated with the JZD [unified agricultural cooperatives] disclosed overpricing of controlled projects by 3.8 percent. Investigation of higher profits earned by district construction enterprises ascertained that the controlled projects had been overpriced on the average by 6 percent. Although such controls were selective, it may be assumed that the situation of price discipline in the branch of construction is on the whole unsatisfactory either because the importance of the work in the price sector is underestimated, or occasionally due to outright efforts for easier achievement of economic objectives.

Violations of price discipline, however, are not commonplace in every enterprise and business sector. Price controls conducted by external control authorities in some enterprises failed to disclose any price violations or found only minor shortcomings. That shows that price discipline depends on numerous subjective and objective factors.

In this context, it is appropriate to point out that price discipline may be enhanced particularly in those areas where more reliable methods of pricing of new products have been introduced, such as price norms, price series, parametric pricing methods and price-building blocks. Furthermore, the overall standard of the management and organization of work, of normative bases and of the internal control system is decisive and must then also be reflected in the overall price system.

Certain sectors and specific organizations achieved improvement as a result of controls by outside price control authorities, particularly in conjunction with the enforcement of effective measures seeking to remedy ascertained shortcomings. The reform is mainly in the hands of the managers of controlled organizations. Consequently, mutual cooperation of control authorities with the management of the organizations often succeeded in rendering management by enterprise and supervisory organs more efficient, intensified responsibility for observation of price regulations, mobilized internal supplier and consumer price controls, and advanced its conceptual direction and implementation focused on efficient remedial measures.

One must bear in mind that violations of price regulations in any form or fashion are always directly or indirectly reflected in price increases unsubstantiated by the growth of the utility values, which is socially very harmful as it may devaluate the purchasing price of our koruna.

From this viewpoint, price controls help considerably by disclosing and eliminating hidden price incrases in the national economy as evident from the review of the results achieved by price controls in the CSSR over the past 4 years of the Sixth Five-Year Plan (see Table 1).

Table 1

in million Kcs

	1976	1977	1978	1979	Total
Illicitly obtained funds	202.2	264.9	330.4	275.5	1,073.0
Funds restored to consumers					390.0
Basic surtaxes					683.0
Punitive increase of surtaxes					335.5
Total surtaxes	210.5	249.3	321.8	236.9	1,018.5
Reduced budgets of construction projects	36.5	78.0	154.4	48.3	317.2
Price proposals reduced during pricing	500.0	280.0	264.0	223.0	1,267.0

From the above review it follows that price controls in the CSSR helped disclose and remove unjustified price increases for products, work and outputs amounting to Kcs 2.6 billion and along with the disclosures of shortcomings in documentation for comprehensive restructuring of wholesale prices as of 1 January 1977, to almost Kcs 5 billion.

It is therefore imperative to support and enforce all types of controls setting and maintaining prices, including observation of the conditions stipulating the quality and deliveries. This results in desirable organization and better quality of work not only in the price sector but also in related technical and economic sectors.

This applies primarily to the normative base, i.e., mainly to the creation of reliable and comprehensive technical-economic standards for the consumption of raw materials and labor, which is necessary for thorough preparation of precise pricing documentation for new products. It may be said that this precondition is essential for maintaining the stipulated price level because new products cannot be compared and evaluated without appropriate normative bases.

Thus, price controls indirectly help improve the standardization of consumption of materials and outputs and thereby accurately establish material and wage costs in price calculations. Improvement in the quality of the normative base is frequently reflected in further desirable expansion of better methods for pricing of new products.

Furthermore, price controls help improve the internal control system of organizations, for example, in testing fair pricing and quality standards of the procured raw materials and materials, or interoperational and output controls of the quality and accuracy of invoiced deliveries. This leads to broader ramifications of the significance of price control, as an indispensable factor in economic management.

New Tasks of Price Controls in the Seventh Five-Year Plan

The results of controls conducted thus far by authorities operating in the area of prices and quality of products and work indicate that we should not be satisfied with price discipline in spite of the fact that numerous effective remedies aimed at its reform have been adopted and implemented on the basis of specific controls.

Nevertheless, the problem remains that prices do not stand by themselves but are correlated with specific conditions and achievements of production, sales and other organizations. Thus, the correlation of prices with all economic operations is evident in practice in the process of social replacement, or in some cases the prices reflect the whole economic development of our society, especially by their dynamic character.

The Set of Measures designed to improve the system of planned management pertaining to the national economy after 1980 assigns a number of tasks to various management areas which are directly or indirectly connected with prices. In the area of pricing policy, these are demanding tasks having to do with the further rationalization of the pricing system and aimed primarily at the utilization of demanding technical-economic parameters resulting from external economic relationships; the creation of pressures upon the growth of effective innovation activity; upon price supports for state target programs and on the stimulation of the effective structure of production. This, in turn, gives rise to applicational measures in pricing regulations and their utilization in the process of implementing segmental rationalizational price changes, the creation of new products, the promotion of pricing limits, in price stimulation of the technical level and quality of products, etc.

In conjunction with the above-mentioned measures, price control must be a factor in the realization of these basic tasks, primarily by assuring comprehensive price control from the moment prices are formed during preproduction (i.e., during the introduction and conduct of research and development pertaining to new products), through the stage at which the prices are utilized in all connections in the supplier and consumer relationship. From these concepts of price control it is already clear that one is not dealing only with tasks assigned to specialized control organs, but with the tasks of all components of organizations and superior organizations which participate directly or indirectly in the formation or utilization of prices.

The adopted measures particularly stress the control function of middle level management links in price control. This is not accidental; it is based on demonstrable results of their effectiveness thus far. This applies primarily to the inferior standard of internal control systems "along the management axis," to the underrated importance of the scrupulously defined responsibility for the documentation required for pricing and output invoicing and the responsibility for observing the conditions of quality and deliveries under which the prices were set, and underrated controls in those areas. Analogically, this applies also to consumers' control of the maintenance of the stipulated prices and of substantive conditions regulating the quality and the deliveries of the procured products and work; that is the basic duty of the organizations, however, as a rule, organizations fail to provide appropriate preconditions in that respect.

Naturally, the enforcement of stricter attention to price controls in the middle links of the management does not depend solely on an emphasis of its social significance. There can be no illusions that this aspect will automatically become so important as to produce a complete about-face in the approach to price controls, and thus, also in the accomplishments of price discipline. Therefore, the adopted measures and their specification consider also the control tasks assigned to the authorities of the economic management as well as special control organs, which is justified in view of the changes in planning and assessing the fulfillment of the plan and of material incentives of enterprises and individuals.

This means above all the effect of material incentives stemming from the introduction of adjusted value added in the role of the main indicator in the fulfillment of volume projects and growth of labor productivity. The introduction of this indicator which is a far better expression of the real output of the organizations will indisputably increase the impact (weight), or as the case may be, the violations of price regulations ("hidden price increases"), in the fulfillment of that indicator and thus, also in the development of unjustified benefits for pertinent organizations. For example, when outputs achieved previously in the controlled volume in 1978-1979 were considered for a reduction by 60 percent of material costs, they were overrated on the average by 1 percent; now the weight of that overpricing amounts to as much as 2.5 percent. Analogically, this may be graphically demonstrated in capital investment where previous incorrect prices representing 3 percent of the controlled volume with the same allowance for adjusted value added will increase to 6-7 percent.

An objection may be raised here that the introduction of adjusted value added will lead by the same token to an overall increase of relative figures and thus, also of the amount of the allowance for the assignation of tasks and their fulfillment. Concurrently, however, the importance of profits in covering the planned needs of economic production organizations and in raising the resources owned by the organizations will be enhanced. Such incentives are appropriate since they transfer more responsibility for the implementation of the development of production and circulation to the middle links of the management and stimulate more interest in profitmaking; nevertheless, they may also intensively influence the efforts to acquire profits by improper methods, such as unjustified price increases. There are legitimate reasons to anticipate that such negative tendencies will not abate; on the contrary, they will be motivated even more. This will be dangerous above all for those organizations that have become accustomed to irregularities and used prices to achieve illicit benefits for themselves. Therefore, preconditions must be created to render price controls on every level of national economic management much more efficient. Their achievements thus far present sufficient proof that any relaxation in this area would stimulate a growth of the negative effect on an efficient development of our economy.

The adopted measures are therefore fully justified in their comprehensive emphasis on controls and particularly on price controls. Thus, it may be said in all fairness that the significance of price controls for the Seventh Five-Year Plan has distinctly increased because everyone must be interested in real, and not fictitious, fulfillment of the demanding tasks in every area of our national economy.

For that reason higher intensity and better quality of controls along the line of the middle links of the management cannot be simply imposed or proclaimed--it must be enforced with more responsibility than ever before.

9004
CSO: 2400/188

GREATER VOLUME IN RAIL FREIGHT TRANSPORT URGED

East Berlin EISENBAHNPRAXIS in German Vol 25 No 2, Apr 81(signed to press 11 Feb 81) pp 56-62

[Interview with Guenther Knobloch, first deputy minister for transportation and deputy general director, Deutsche Reichsbahn: "Activities of Railway Workers, Results and Goals of Rail Transportation"]

[Text] [Question] Comrade Minister, at the start of this interview permit us to ask you some personal questions. Since when have you been with the railroad? What, in your opinion, are the most notable waystations of your professional life? What personal advice would you give young railroaders in particular?

[Answer] In a few days I will celebrate my 37th anniversary as a railroader. Still, to cite this figure only would be simplistic because the profession of the railroad man must be considered and incorporated in the framework of social development. That was the decisive factor for me also, it involved my championship of the new, of the united working class led by its Marxist-Leninist party, the socialist revolution, a better life and peace.

Waystations? There was no preordained career; what there was were obligations and needs. I did confront those, not always immediately; indeed sometimes only following a struggle of conscience which always included my family. The following is something like a "show and tell" of my stages of development: When I was 29, I was appointed to manage the Dresden DR [GDR Railroad] directorate with thousands of employees. That meant at one and the same time trust and challenge, testing and a school of life, a cadre forge. Over and above all personal commitment I must emphasize that I enjoyed the help and support of the comrades at all times. When I think back I am bound to say this: It is certainly not very meritorious to be a 35-year party member at the time of the Tenth SED Congress, but it is the lasting and constantly renewable merit of the party to educate, help and harden us so that we may meet our obligations in every conceivable situation. That maxim has always been and continues to be irrevocable.

The correct course to be taken is always important; even more important is total identification with it. That is, so to speak, the precondition for finding it again after the tempest. I am saying this because, after all, our development of the socialist railroad system has not proceeded without problems, obstructions and difficulties. We were able to cope with them precisely because we never lost sight of the goal--a better future and socialism.

It is impossible for one individual alone to achieve successes and handle difficult situations, to explain that which cannot be done at the time. All of this can be handled only by the collective. Innumerable personal experiences have confirmed this truth for me: Any task at all may be accomplished together with the railroad workers, provided one talks to them--not in stiff formulas but from the differentiated aspects of our lives, explains relationships to them, takes the lead with the utmost personal commitment and arouses their enthusiasm. This steady and trusting cooperation with the people was, is and continues the key for tackling any situation whatever.

It is imperative at all times to face the tasks and requirements. Not just those which may be settled relatively easily but more particularly those which must be dealt with promptly, "on the spot." That represents education by doing, shapes socialist personalities, sharpens the appreciation of problems and allows them to be recognized and settled. Do you know what we need? We need an inner drive to accept responsibilities in offices and enterprises, the DR bureaus and directorates. We must encourage these ideals at the time of training and educating our young railroad employees, must see to it that this drive becomes a profound need among our skilled workers just as much as among technical and college cadres. The variety and overall economic importance of our wonderful profession are so fascinating that personal responsibility becomes the overriding job factor once these relationships are appreciated.

Subsequently we need to concentrate on the essential features, and that also is crucial, for example in the application of science and technology. Not just once to show off the knowledge acquired by demonstrations of solitary examples but resolutely to carry out its mass application with the plans, to create efficient production bases for railroad-typical rationalization aids--all these are elements significantly contributing to the optimal utilization of the social labor capacity.

/Question/ The Tenth SED Congress has elicited outstanding achievements from the citizens of our country. The obligation to exceed the 1980 annual plan by the value of the output of two additional working days was met by industry and other sectors of the national economy. What were the results in transportation, and what is the particular contribution of the railroaders?

/Answer/ The transportation system in general and, obviously, the railroad also, were compelled to carry out their plan tasks in fundamentally changed external conditions and exceptionally severe difficulties in the energy sector. All railroaders are only too familiar with this from their daily work.

Despite these circumstances the transportation system raised its services by 5.3 percent. Corresponding to the need of the national economy to achieve greater transport and energy conservation, freight has increasingly shifted from motor vehicles to the railroad and inland shipping. This helped energy conservation in the national economy and, with regard to the railroad, resulted in a freight volume of 312 million tons, the largest volume of freight ever carried by the DR in any one year.

By comparison with 1979 some 12 million more tons of freight were carried. That is an unprecedented rate of increase for our socialist railroad and corresponds to a plan excess of more than 6 days. The 1980 results have provided us with a generally satisfactory base for even greater achievements in the year of the Tenth SED Congress and the 1980's as a whole. As far as freight shipments are concerned I am entirely justified in claiming that the 1980 plan fulfillment presages the implementation of the more challenging targets of the 1980's.

[Question] When we consider not 1980 only but the total past five-year plan, that is the period between the Ninth and the Tenth SED Congress, remarkable results have been achieved in railroad transportation. In the course of these 5 years EISENBAHN-PRAXIS has reported many improvements in operation and services, the vehicle sector and safety provisions as well as new facilities especially at classification yards such as Erfurt and Seddin, the introduction of remote controlled trains on the Dresden-Schoena route, the introduction of microelectronics in the most varied sectors. What outstanding details would you like to point out to us?

[Answer] The past five-year plan period recorded innovations and improvements in all sectors of the railroad system. In passenger service we increased the numbers of rapid passenger trains to an average of 500 per day. Much involved here are the intercity express trains introduced in 1977, which circulate Mondays through Fridays between Berlin and 11 district capitals and industrial centers; a total of 16 trains per day. New trains were taken into service for long distance commuters, which operate at the beginning and the end of the week. There are far more seats available, especially by the deployment of new passenger cars, especially the 26.4 meter long passenger cars from the Halberstadt GDR Railroad Repair Yard--and by making available a certain ratio of cars for some rapid transit trains.

As for international passenger traffic, we considerably increased the availability of trains for friendship trips to the USSR. On some routes new sleeping cars and couchette cars were taken into service, and the availability of seats in trains traveling to the socialist countries was increasingly adapted to actual travel requirements.

The volume of freight carried rose by 108 percent compared with 1975, achieving 312 million tons. In 1980 freight car capacity was utilized to the extent of 10.18 tons per two axle freight car and, thereby, managed for the first time to exceed the dimension of 20 tons. New TEEM relations were provided in transit freight carriage, for example between Rotterdam and Budapest, Basle and Stockholm, Gavle and Basle, Nykoping and Budapest. A new transit relation is in operation between Maschen and Decin. The work of the DR transit control center at Seddin, in existence for 20 years, has had a very favorable impact on transit traffic. The services of the center are held in high esteem by the DR's transport clients.

In 1979 the DR adopted a new refernce procedure, subdivided by international and internal traffic. This applies to both ordinary and express freight. The new reference procedure established the necessary prerequisite for the reorganization of control regulations on the basis of EDP.

Steadily pursued was the two-track expansion of the route network. As a result such important sections as Berlin-Pasewalk-Stralsund, Koenigs Wusterhausen-Luebbenau, Seddin-Rosslau, Brieselang-Wittenberge, Werdau-Plauen, Camburg-Saalfeld, Leipzig-Zeitz, Altefaehr-Bergen are now completely converted to two tracks.

As regards railroad safety, many new CTC towers have been taken into service, for example in Jueterbog, Luckenwalde, Stendal, Bad Kleinen, Goeschwitz, Bad Schandau and Berlin-Biesdorf; in addition there is the central switch tower at Seddin complete with the timed switch towers at Ostberg and Westberg as well as the timed switch tower at Erfurt freight yard. The automated section block was introduced on many sections, or section segments completed thereby, for example at the Berlin, Dresden and Rostock junctions. Section passage capacity and the capacity of the railroad depots was significantly raised as a result.

Earlier on I mentioned the important raise in freight volume. Let me point out that these results were achieved by automation and rationalization at the major classification yards. In addition to the Seddin and Erfurt classification yards mentioned before, 21 major classification yards were equipped with car retarder devices in the form of descent or classification track retarders. These include such major depots as Dresden-Friedrichstadt, Halle (Saale) freight depot and the Berlin classification yards at Schoeneweide, Pankow and Wuhlheide.

Surely these results demonstrate the fact that railroaders are confronting the challenges of our time, political and economic requirements, and they are doing so clear sightedly and with an attitude of party-like commitment.

/Question/ You said earlier that the DR's freight services boast achievements unimaginable in former years. Last fall the daily average freight volume amounted to 780 kilotons; only 5 years ago it was 100 kilotons less. Now we will also have to cope with substantial freight volumes hitherto carried by road transport. Is it really necessary to carry that much?

/Answer/ Quite true, the necessary shift of freight from road to rail has called upon the DR to carry a far larger volume of freight. The five-year plan just begun thus confronts the experienced collective of 237,000 railroaders with new, greater and more challenging tasks.

In a comparison with other developed countries we are bound to note that the transport volume and services in France and the FRG, for instance, are lower than in the GDR. This does indicate that we currently have an excessive call on freight transportation here. In this connection we should also note that spending on freight carriage now accounts for about 4.5 percent or some M17 billion of production consumption in the GDR national economy.

It is imperative on the one hand fully to satisfy the necessary transport needs and on the other to lessen these needs. Political economics have taught us that transport is a charge on the total social product. That is the reason why all really necessary transportation must be handled optimally with respect to volume, cost and time. If more is transported than is socially necessary or if transportation costs too much, the total social product is reduced as a result. Our society is therefore interested in restricting the transport needs of the national economy to the absolute minimum.

In cooperation with all sectors of the economy the railroad must ensure that the dynamic growth of our economy's production is realized in conjunction with a declining production consumption for transport, handling and maintenance services. The railroaders efforts therefore begin with the minimization of transport needs and continue on to the optimalization of delivery relations and the deployment of means of transport (coupled with the economically justified division of labor as required in the interest of our national economy--primarily between road/inland shipping and rail), up to and including the lowering of internal railroad expenditure.

Large economic reserves are available by the reduction of excessive freight transportation needs. One of the causes of the large specific transport needs is to be found in some irrational cooperation and delivery relations of enterprises and combines. To be further pursued in 1981, therefore, is the optimalization of delivery relations, for example with regard to solid fuels, fertilizers, oil products, sugar beet and semifinished goods.

/Question/ You mentioned as one of the factors of intensification the economically justified and necessary (in the interest of the national economy) division of labor between the carriers and the lowering of internal railroad expenditure. In 1980 the railroad, road transport and inland shipping were assigned specific service sectors, determined by overall economic considerations. Indisputably the railroad operates under different transport conditions than road traffic, for example; let us mention only the time needed for conveyance, the cost of packaging, or house-to-house services. What goals has the railroad set itself to be able to offer attractive services?

/Answer/ The division of labor between the carriers is determined by, among others, a vital criterion--specific energy consumption. This differs sharply among the various carriers. To move 1 million gross ton kilometers the railroad, for instance, requires 6.5 tons of diesel fuel, road transportation 19.5 tons and inland shipping 5.2 tons. It stands to reason that the carrier with the lowest specific energy consumption will be assigned even more transport tasks and its development promoted accordingly. As you know we resolutely tackled all these measures in 1980, intending to shift 10 million tons of freight from road to rail. Last year we already managed more than 4 million tons toward that target. Consonant with local possibilities the railroad increasingly takes over all transports suitable for through freight trains, moreover transports between locations with rail access must largely be shifted to rail from distances of more than 10 km or from/to rail access from distances of 40 km.

Of course all this is easier said than done. A lot of transport equipment, used for many years past, must be adapted. The railroad must provide the necessary capacities, and our customers for their part the prerequisites for the shift from road to rail. Among others this also involves the necessity for the railroad to offer services corresponding or near to the advantages of road transport. Such an opportunity is presented by container transports, for example, which must be more extensively used and expanded. It must become a thing of the past for trains to be underused and operating with few cars on the various sections. At the same time we must consider operating trains which, for example, carry several types of so-called priority freight, in other words containers, fish, express freight, mail. Another possibility is the so-called piggyback traffic: Entire sets of box cars or flat cars are carried by rail for long distances in order directly to serve the customer at the destination. The railroad is working on these and other offers.

[Question] How far have you got with lowering the railroad's internal expenditure?

[Answer] Internal expenditure also is described as production consumption. The lower production consumption, the greater is transport's contribution to the national income. The lowering of production consumption is a basic issue with respect to the improvement of the efficiency of the entire reproduction process and the stable growth of the national economy.

The share of production consumption in the gross product of the railroad amounts to some 60 percent. This fact is even more important when we consider that the railroad is a major consumer within the transportation system and the national economy of such significant items as diesel fuel (820 kilotons per annum), rolled steel (300 kilotons per annum) and cut lumber (75,000 cubic meters per annum). In 1981 the railroad must reduce specific production consumption of all items by at least 3 percent.

Energy consumption is particularly important. Within the GDR transportation system the DR is a major energy consumer, and about 70 percent of its total energy consumption are accounted for by train operations. A reduction in specific energy consumption--whether in train operations or in the stationary sector--is therefore a matter of primary political significance for the railroad.

[Question] Energy conservation on the one hand, increases in services and railroad modernization on the other--how will you be able to reconcile these goals?

[Answer] Admittedly, at first glance this seems to be a contradiction--to carry more but use less energy. And yet--and statistics confirm this--our railroad has succeeded in this purpose. In the past five-year plan period DR train services rose by 5 percent while the absolute energy consumption for traction purposes dropped by about 30 percent. Absolute conservation in these 5 years amounted to 21,800 tera joules or, converted, to 2.6 million tons of raw brown coal. Increased output and energy conservation--that is not a contradiction after all; this principle will continue to be the DR's standard for the newly begun five-year plan period.

One of our priorities is the reduction of the use of imported energy sources to the absolute minimum. It is therefore imperative to raise the proportion of electric traction in total train operations, because that type of traction uses an average 104 kilo joules of specific energy per 1 gross ton kilometer, while diesel traction uses 280 kilo joules, in other words almost 3 times more. Only electric train operation allows us in future to obtain motor energy on the basis of domestic primary energy sources, that is increasingly by means of nuclear energy.

The prompt start of operations on new electrified sections as well as the maximum use of the entire electrified network are other measures designed to lessen energy consumption, and so is the greatest possible utilization of fast express electric and diesel locomotives, the reduction of empty runs as well as the influence on operational procedures of all railroaders involved. By the creative efforts of the railroaders all these measures will enable us fully to meet the tentative 1985 goal--the reduction of DR specific energy consumption by at least another 28 percent.

/Question/ Some steam locomotive series are still operating on the DR track network. In this connection we would be interested in your answer to these questions: How long will we continue to use steam locomotives? Is there a new generation of diesel locomotives? How is elctrification getting on?

/Answer/ By the end of this five-year plan period steam traction will account for only 3 percent of the total; in other words there will be a few narrow gauge sections and some other instances where steam locomotives will continue to operate. Basically, therefore, the era of steam traction in the GDR will have finished by 1985. Consonant with the resolutions on the further electrification of the DR rail network, the operation of electric traction will rise from 17 percent in early 1981 to 30 percent through 1985. The electrified network will then account for 14 percent of the total rail network, even excluding the sections of the Berlin intraurban electric railroad.

As for diesel traction it will be our task by the maximum use of the existing stock to carry on the services not handled by electric traction and to develop new locomotives suitable for the changed conditions of train services. To that end the construction models of the 108 and 116 construction series will be subjected to a detailed study of their operation by the DR. We already talked about the energetic advantages of electric traction. As a consequence we must raise the speed of electrification of the DR rail network as the core of rational energy use in the railroad system. The intention is to electrify about 730 km of sections up to 1985. This involves the prompt completion of the sections leading from Halle (Saale)/Leipzig and Dresden to Berlin, the GDR capital, and subsequently the pursuit of electrification in direction overseas port Rostock. We aim to take into service by the end of 1981 72 km of electrified section with the portions Luckenwalde-Ludwigsfelde and Elsterwerda-Uckro as well as the transformer works in Doberlug-Kirchhain and Ludwigsfelde. So that we may complete at least 100 km of electrified section in 1982, we will have to ask the DR electrification and engineering construction enterprise and its cooperation partners also to provide the pole foundations on another 140 km section and request the Power, Distance and Overhead Line Construction VEB together with INTERFLUG to raise overhead line masts on another roughly 100 section kilometers and to assemble some 300 km of chain drives. Basing on the 1981 and 1982 projects we are aiming in the subsequent years through 1985 to achieve 40 km more each year than in the respective previous year.

The achievement of these challenging targets calls upon all those involved in their preparation and implementation on the basis of well organized competitions to deploy the staff consistently and in accordance with the proper priorities and sequences for the centrally planned project--DR section electrification.

I hope quite especially that scientific-technological work will focus even more on the development of electric train operating equipment and its operational technology including rational construction and assembly processes. Obviously the expansion of the electrified track network and, therefore, the possibility of running heavy duty freight trains with long distance express locomotives will require the procurement of modern electric locomotives. The DR is therefore planning by 1985 to develop and procure the construction series 243 of electric locomotives.

/Question/ Some questions on tourist and commuter traffic. How does regional rationalization affect attraction and quality? We are thin king here of the intra-urban electric railroads of major cities, the development of new residential settlements, the general improvement of conveyance and handling services.

/Answer/ Many improvements in commuter traffic have been achieved by way of the "progra. for the development of commuter, school and tourist traffic 1976-1980." The commuter traffic activist groups which operate in Berlin, the capital of the GDR, in districts and subdistricts, managed by the coordination of timetables in the region and their influence on the efficient use of means of transport to play a decisive role in the organization of commuter and school traffic timetables, while taking into consideration as many as possible of the needs of the working people and the national economy. It is due largely to the responsible efforts of these bodies that applications for timetable changes in commuter traffic declined by 40 percent in 1979 compared with 1976.

Since 1976 we have taken into service new passenger cars, thus expanding and modernizing the rolling stock for commuter traffic. New double-decker cars are now used on the commuter run Cottbus-Jaenschwalde Power Plant; they also operate on the Leipzig intra-urban electric railroad and the Stendal conurbation. The expansion of the rolling stock also enabled us to raise the availability of seats on the Magdeburg intra-urban electric railroad, the commuter trains between Erfurt and Gera and between Sondershausen and the Glueckauf Potash Plant. Lastly we were able to add trains to the suburban routes in the Karl Marx Stadt conurbation and on the section Dresden-Arnsdorf. The Berlin intra-urban electric railroad is currently testing trains of the new intra-urban electric construction series 270.

I have already mentioned the attractive inter-city express trains used for long distance commuting.

However, we are not satisfied with our record of punctuality, cleanliness, information and politeness. Punctuality in particularly could do with considerable improvement. Respect for every minute must be a matter of honor for every railroader. That applies equally to the personnel at the stations, to conductors and train personnel as well as to dispatchers.

Prompt, adequate and polite information given the traveler--in other words the considerate and courteous attitude of the personnel--does not cost anything and is of the utmost importance. Good quality tourist traffic is primarily based on internal conviction and the intolerant attitude of managers.

The five-year plan period through 1985 will see another "program for the development of commuter, school and tourist traffic." This will include various measures such as the procurement of new locomotives and cars, new traffic facilities and the mechanization and automation of passenger handling processes. A contributory factor in the fundamental rationalization of ticket sales will be the micro computer controlled ticket machines, whether in the shape of booking office printers or self-service ticket automats.

I must also mention that, in view of the great political importance of commuter, school and tourist traffic as well as our collective experiences, we must absolutely improve and arrange more efficiently the current organization of this important field of endeavor.

[Question] How do you appraise the work of the operational managements? The greater frequency of trains, the higher cost of transports and the increased runs constantly compel new dispositions, especially in conditions of operation and construction. The passenger tends to be particularly critical of trains running late or being scratched altogether. There are actually pressure points, usually in the vicinity of large cities or in Berlin, the capital, where the shuttle flow tends to be extremely large and dense. How can the work of operational management be improved at all levels?

[Answer] The increase in railroad services establishes new criteria for the work of the management divisions; that is an indivisible reciprocal interrelation. Greater train frequency, for example, or greater pressure on the sections require timetable technologists and dispatchers to appreciate this interrelation with the better quality of their work as an essential condition for raising efficiency in railroad transportation and, by their actions, breathe life into this appreciation.

Management is called upon to provide such conditions in the organization and technology of the transport process as will help not merely to achieve but exceed the set plan targets. In the past five-year plan period, therefore, we have steadily introduced new equipment in many fields in order to provide the fundamental prerequisites. Some of them we mentioned earlier, such as electrification, train radio, new signal and switch control and car retarder equipment, new superstructure machines. All these measures help influence DR management in positive ways. This is demonstrated particularly by the rise in section pass capacity, the greater capacity of classification yards and the gradual liberation of the railroad workers from hard manual labor by the transformation of jobs.

The technology of operations is increasingly changed by new equipment. To be singled out are the abolition of crossings and overtakings, the conservation of energy by the abolition or reduction of unplanned stops as well as the resulting faster operation of passenger and freight trains.

Many changes in the operation of classification yards result from the provision of car retarder equipment for many major classification yards as per a long range concept. I would like to stress in particular the abolition or at least considerable reduction of hazardous work by the skate layers and the greater stability in the operation of the facilities.

All this resulted in a rise in the capacities for the assembly and disassembly of trains at classification yards. Also to be mentioned are the studies conducted for the improvement of the equipment of secondary lines. The combined use of reversion switches and radio equipment on the railroad crossing the Harz Mountains, for example, enabled us to change the technology, and the experiences gathered here can be gradually generalized for improved service operations.

The new five-year plan will bring further improvements in this field. At the same time management offices must be aware that the challenges to the quality of their work are not increasing in a linear fashion only; in fact they are bound to take considerable jumps. I am thinking especially of the fact that we will have to simultaneously operate, construct and electrify on important main lines.

Obviously this will mean difficulties and delays in railroad operations. The crucial question here is the extent of our success in restricting them to a minimum. Operational management must receive better support by the work of the preparatory departments. It is a well known fact that any disruption such as a broken rail, damage to the transmission line or to a car may make the best equipment useless. Our customer, the passenger, may be badly affected by the train running late. Sheer good manners require us at least quickly and fully to keep him informed.

The operational management organs of our railroad are therefore confronted with a major test which will take the shape of decisions pregnant with important consequences from the management aspect. They will have to insist that preoccupation with volume be replaced by preoccupation with service. This means we must review and analyze the development of paid work--the tariff-ton-kilometer--, what the costs are in relation to this paid service, and what actual conclusions should be drawn. The favorable development recorded in this field last year can and should be pursued at a faster pace.

/Question/ All tasks are handled in the first instance by people, and that holds true for the railroad also. It makes all the difference how they plan, organize, work, and what effect is produced by their efforts. The subjective factor is gaining more and more importance, especially in terms of the national economy. What demands arise therefrom on the work of the manager?

/Answer/ An essential prerequisite for coping with the challenging demands on our performance was the increasingly better utilization of the social labor capacity together with the practical application of selected results from science and technology. We have taken this into account in the field of socialist management organization also. We have carried out or initiated extensive measures for the further improvement of management skills. In the offices of the main service branch railroad administration, the light locomotive and car repair shops, light railroad car repair shops, high voltage sections, superstructure shops and construction trains at the DR directorates model or skeleton structures were introduced simultaneously with the use of manpower normatives. These reduced management and administrative expenditure and established a labor organization consonant with standardized progressive norms.

The existing operational DR management was complemented and further improved by the establishment of operational management staffs at the various DR divisions. The greater speed of electrification of the route network resulted in structural changes such as the establishment of the Berlin electrification and engineering construction division, the supreme construction management for DR electrification, the DR electrification department and the assignment of a government agent to DR electrification. The DR's scientific potential was concentrated at the Railroad Institute, part of the Central Research Institute for Transportation. This was a significant step toward the more efficient utilization of the railroad's research potential. Planning services were substantially improved by the reorganization of the DR development and survey division.

The GDR railroads currently employ some 237,000 people. The majority have the knowledge and capability required for their jobs and work with great discipline and commitment. We succeeded by class-like education to emphasize the evolution of communist attitudes and substantially raise the professional standards of the employees. Almost 90 percent of railroaders are graduates of vocational training courses. Since 1979 nearly 50,000 employees obtained the skilled worker certificate by way of vocational training and adult education courses. This means that 85 percent of the railroaders doing skilled work have the necessary qualifications, and every fourth railroader attends further education courses to keep up with the rising challenges. All this offers good prospects for fully satisfying the growing demands on the DR in the 1980's.

However, all managers must even more resolutely insist that railroad employees delegated to training course in fact attend on a regular basis, that various operations are adequately practiced and irregularities in the service quickly and thoroughly dealt with.

It is especially important now to direct the knowledge and skills as well as the creative actions of railroaders even more emphatically to the qualitative changes in their work generally, the new technologies, the handling of the highly efficient equipment, the conservation of material, energy, working hours, the improvement of discipline, order and safety as well as the more efficient utilization of basic assets.

It will therefore be necessary constantly to coordinate the professional and skill structure with the rising demands on the DR and with scientific-technological development, and to ensure a solid grounding. Here I refer especially to the growing demands on knowledge and skills arising from the application and further development of microelectronics, the increasing equipment of machines with electronic controls, the use of computers and the ongoing electrification of the DR line network. I consider it another important task more thoroughly to prepare and constantly further educate the heads of the work collectives with respect to the political and technical demands of their work.

Let us assume, for example, that the DR must record a stable increase in performance and efficiency in the 1980's in order to contribute to the dynamic development of our national economy. It is immediately obvious that the realization of transportation and traffic needs with a minimum of transport expenditure and declining production expenditure represents qualitatively new and greater challenges to the DR management. To provide the effective preconditions for this we are currently establishing a comprehensive, tight management and planning structure of the entire DR reproduction processes under a single command post at the Ministry for Transportation. The role of each manager is thereby intensified. In conjunction with the fact that every railroader has increasingly developed as a socialist personality I am convinced that the new tasks will be handled in the coordinated collective with a well developed consciousness. It is precisely the latter which constantly sharpens the instinct for finding those reserves which, despite all efforts, are still unexploited and lie fallow.

/Question/ This year is the beginning of the 1980's, and you, comrade minister, have been able to give a satisfactory report as well as advising us of an extensive program for the development of railroad services. Just a few questions in conclusion--they point far ahead in this decade: How will rail traffic develop in the GDR? What future does the railroad have here, and what are the prospects for railroad employees?

[Answer] I believe that we may assume a relatively stable distribution of industry as well as of agriculture and the food industry. As a consequence of the qualitative and quantitative development of these locations the flow of freight is bound to increase. Of course we will in future also have new originating locations and destinations for freight transports; we are already noting hints of this in Rostock, Leipzig, Erfurt, Halle and Frankfurt (Oder) districts as well as in Berlin.

The rapid replacement of solid and liquid imported energy sources by fuels based on domestic brown coal confronts us with new challenges. The replacement of heating oil, for example, will involve completely new transport relations and additional demands on transport volume and services due to the different thermal values. Another result with be the structural changes in the freight car stock. New demands will also arise as a consequence of the exhaustion of strip mines close to power plants and the opening up of new and more distant mines. Transport distances will be longer as a result, and we will increasingly need cars equipped for prompt gravity unloading.

Exports and imports will develop and offer greater challenges. In addition to the factors already mentioned, the freight transports of the railroad are also affected by such matters as the further refinement of coal and metal as well as the advanced processing of oil. New relations emerge, the structure of freight changes and calls for the adjustment of transport and handling technologies as well as of the freight car stock.

All this shows that the railroad will have to accomplish important tasks far into the future. It will continue to be the primary public carrier in GDR domestic freight transportation; its economic importance will steadily and substantially increase due to the favorable energy aspects and the low pollution factor. This requires the commitment of every single railroader so that we may meet the rising needs of the national economy at the best possible quality and steadily declining prime costs.

In connection with the further scientific-technological development and the trends sketched in our talk, every railroader will enjoy a secure future.

I would like to add a personal note:

While the results and targets in railroad transportation were dealt with on a question and answer basis in the course of this interview, the results of the development of the socialist railroad system are obviously not the result of my words: They are based on the potentiated efforts of every single railroader, led by the political organs and basic organizations of the party of the working class in the railroad system. I feel a profound need to express my sincere thanks to all of them.

The established, developed socialist railroad system with its outstanding capacity is not only our common achievement; it is also the confirmation of our victorious advance in the organization of the developed socialist society in the GDR. We combine our pride in this achievement with the incontrovertible confidence and certainty that our socialist railroad system holds a firm place in total societal development and, together with our socialist social order, advances toward new and brighter heights.

That is experience, appreciation and knowledge. We confront the greater tasks of the future with optimism and confidence, and we give of our best with respect to them as well as the Tenth SED Congress.

11698
CSO: 2300/235

TRADE WITH SOVIET UNION DETAILED

Budapest HETI VILAGGAZDASAG in Hungarian 9 May 81 pp 21-22

[Text] Between 1981 and 1985 Hungary's trade with the Soviet Union, its largest trading partner, will amount to more than 34 billion rubles. The Soviet Union supplies Hungary with a significant portion of its necessary energy sources and raw materials. Hungarian enterprises supply their Soviet partners chiefly with machine industrial products, consumer goods, and foodstuffs.

The economic cooperation conducted with the Soviet Union and the developing foreign trade based thereon is of vital importance to Hungary. The Soviet Union occupies first place among both our buyers and suppliers in the list of our foreign partners, stated Peter Veress, minister of foreign trade, at the end of March when he signed the 1981-1985 terms of trade and payments agreement with the Soviets in Moscow.

Hungarian-Soviet Trade in Million Rubles

	1976	1977	1978	1979	1980	Total
Hungarian export	1,720	1,960	2,429	2,413	2,756	11,278
Hungarian import	1,771	2,066	2,396	2,741	2,981	11,955
Total trade	3,491	4,026	4,825	5,154	5,737	23,233
Balance	-51	-106	+33	-328	-255	-677

The volume and composition of the trade fixed in the agreement shows that both sides are trying to increase their trade and develop relations on the basis of mutual advantage. From the viewpoint of the development of the Hungarian economy, it is of outstanding importance that the Soviet Union supplies by far most of the necessary supplies in petroleum, various kinds of oil products, natural gas, electric energy, foundry coke, coal, iron ore, wood products, and cotton. The Hungarian enterprises buy large quantities of modern machine tools, road building and construction industrial equipment, agricultural lift, carrier, and aviation equipment, and automobiles. Various large industrial establishments are being built in Hungary with the use of Soviet equipment. Prominent among these are the Paks Atomic Power Plant, and the continuous steel casting works, the new coke chemical plant and the ore compacter of the Danube Iron Works' converter steel manufacturing plant.

On the basis of the long term trade agreement, Soviet orders make it possible for our machine industry branches which manufacture investment goods to sell one-third of their annual production, or in some cases even more, on the Soviet market. For example, the Soviet Union continues to buy about one-half of the annual production in Ikarus buses. The Hungarian ready-to-wear clothing industry, the knitwear industry and the shoe industry contribute to supplying the Soviet population with consumer items. Large volumes of Hungarian pharmaceuticals, fresh fruit and vegetables, and canned fruit are available in Soviet stores.

In recent years we have strengthened and in the next 5 years we will continue to develop those economic cooperation forms which are being realized in the framework of bilateral and multilateral integration measures within CEMA and serve to accelerate economic development, to modernize the production structure, and to raise the efficiency of industrial and agricultural production. In the past 5 years, Hungarian enterprises have purchased one-fifth of the imports coming from the Soviet Union and delivered one-third of their exports to the Soviets within the framework of specialization and cooperation contracts. Cooperation in the automobile industry as well as trade in atomic energy machinery, machine industrial parts, prefabs and component parts is being conducted on the basis of specialization and cooperation agreements.

On the basis of experience in previous years, an essential element and condition in the development of bilateral economic relations is the improvement of the technical level and of quality. In the opinion of Hungarian foreign trade experts, neither in Hungary nor in the Soviet Union are there secure and lasting marketing possibilities for products of only average level. On the basis of information gathered from Soviet partners it can be stated that most of the Hungarian export items have a good reputation in the Soviet Union. Particularly favorable are the views regarding Hungarian communications and electro-acoustical equipment, which performed outstandingly also at the 1980 Moscow Olympics. The same can be said about Hungarian buses, computers, medical equipment, floating and portal cranes, and automatic measuring equipment. Hungarian pharmaceuticals, consumer goods and foods are sought after goods.

Trade between the two countries will amount this year to 6 billion rubles, or 7 to 8 percent more than last year, according to the Hungarian-Soviet trade protocol for 1981 on the basis of the long term agreement.

6691
CSO: 2500/262

GRAIN, POTATO PRODUCTION FOR 1980-1981 PREDICTED

Warsaw RADA NARODOWA GOSPODARKA ADMINISTRACJA in Polish No 5, 7 Mar 81 pp 19-20

[Article by Leslaw Zalewski]

[Text] In the present difficult economic situation, the calculations of the food production balance are of special importance. The State Inspectorate of Agricultural Production (PIPR) while estimating the outlook for crops at the same time is carrying out balance calculations of production, especially of primary crops, that is, grain and potatoes, in nonsocialized farming.

These balances are of exceptional complexity because of:

--manifold utilization of production in agricultural economy itself (sowing, planting, consumption, feeding, etc.);

--mutual replaceability of grain by potatoes and conversely, as well as replaceability of grain by potatoes and conversely, as well as replacement of corn by other feeds (concentrates from purchase, fodder plants, etc.) in feeding farm animals;

--many disposers who are engaged in agricultural-product turnover or who consume them (Ministry of Commerce, processing industry, farmers).

The lack of exact records of income and expenditure in individual farms and at disposers of the production makes it necessary to resort to certain simplications and even to conventionality in dealing with certain items of balance. The basis for calculations, however, is provided by various material data available in the gminas [rural parishes], such as: accountancy (procurement, turnover of seeds and sets, purchase of concentrates), results of agricultural censuses by GUS (Central Office of Statistics) (areas of sowings, number of farm animals), and estimates and surveys by experts by PIPR (norms of sowings and plantings, grain fed to cattle, self-providing, losses, size of crops, etc.).

Analysis of the balance, especially in the current, difficult year, should throw much light on the general situation in agriculture, in particular on the forecasting of animal production and the possibilities of rational utilization of production.

Characterization of 1980/81 Balance

GRAIN. We entered the 1980/81 year with very small grain reserves (160,000 tons) because of the catastrophically low harvest of the previous year. The 1980 crops proved to be only by 0.9 million tons (6.8 percent) higher than in 1979. A relatively small harvest is the result of a smaller (as compared to 1977) area under crops and losses of crops due to many causes (repeated flood disaster, lack of nutritive elements in the soil, shortage of the means of plant protection and scant effectiveness of phytosanitary measures because of frequent rain and cold, widespread diseases, difficult harvest conditions, etc.).

Economical estimates of cereal crops (four grain crops with grain mixtures, seed corn, buckwheat and millet, and other cereals) amounted in the nonsocialized farming to 14.4 million tons, and purchases of seed grain from state resources to about 0.2 million tons.

It was envisaged that of the aggregate of cereal crops, estimated at about 14.8 million tons, the individual expenditure balance headings will be as follows:

--sowing, about 1.3 million tons;
--procurement, about 1.9 million tons;
--self-providing, about 0.9 million tons;
--feeding to cattle, about 9.9 million tons;
--losses, about 0.6 million tons;
--free-market sale and next year's reserves, about 0.2 million tons.

The items of self-providing and next year's reserves are at the 1979/80 level. The crop increase in 1980, compared with 1979, will be held over chiefly for feeding cattle. Grain losses during seed storage are being also slightly increased because some of the seed taken in was sprouted, affected with diseases or damaged. It is likewise being envisaged that because of the worse than usual quality of seed, more seed will be held over for sowing from farm resources (about 6,000 tons, compared to 1979).

Balance calculations indicate that despite the crops in 1980 being higher than in 1979, procurement of grain will be less because of a great decline in production in the most productive voivodships (Torun, Elblag, Wloclawek, Konin, etc.). A considerable decrease in crops occurred chiefly because of flood-induced losses and was further amplified by the failure of potato crops. This prognosis is also confirmed by the course of the grain procurement which so far is lower than the results of 1979/80 economic year.

Thus, at the end of the 1981-81 economic year, there will be left very scanty grain reserves, which is connected chiefly with the necessity of earmarking for cattle feed--in order to supplement shortages of potatoes--of an additional amount of grain from the farms' own reserves.

In individual regions of the country, however, the situation pertinent to the grain balance varies greatly.

In 1980, the increase of crops, compared to 1979, was achieved in 33 voivodships, out of which the greatest increase was in the northeastern and central regions, where after calamitous rye crops in 1979 there was a considerable increase in crops in 1980 (6-10 quintals per hectare).

In 25 voivodships with lower grain crops in 1980 there is envisaged an increase in grain procurement, with Ostroleka Voivodship having an almost threefold increase compared to 1979/80, and Ciechanow, Bialystok, Siedlce, Suwalki, Biala Podlaska and Radom voivodships almost doubling their increase.

In eight voivodships: Bielsko, Kalisz, Jelenia Gora, Legnica, Opole, Poznan, Tarnobrzeg, Tarnow, and Wroclaw, the ascertained increase of crops was used in the first place for cattle feed, thus limiting the supply for procurement on account of shortages of concentrates occurring in the second quarter of 1980 and also considering the poor harvest of potatoes and other fodder.

In 1980, compared with 1979, a decline in crops occurred in 16 voivodships: Bydgoszcz, Chelm, Elblag, Gorzow, Koszalin, Krosno, Nowy Sacz, Plock, Przemysl, Rzeszow, Szczecin, Torun, Walbrzych, Wloclawek, and Zamosc. These are mainly voivodships which have experienced disastrous effects of floods. In all these voivodships a decrease was also ascertained, compared to the 1979/80 economic year, of the possibilities of procurement.

POTATOES. After the very high crops of 1979, there were left for the 1980/81 economic year certain potato reserves with greatly impaired quality. Reserves of approximately 0.8 million tons were practically fed to cattle as early as July 1980. The potato crop of 1980 proved disastrously small (24.1 million tons against 45.0 million tons in 1979). According to estimates by gminas the requirements for sets to be purchased from the state reserves are of the order of 0.5 million tons, that is, somewhat more than in 1979.

The overall mass of potatoes--25.4 million tons--is to be used as follows:

--planting, about 4.9 million tons;
--self-providing and free-market sale, about 2.8 million tons;
--procurement, about 1.3 million tons;
--cattle feed, about 13.2 million tons;
--losses, about 3.2 million tons.

All expenditure items will be decreased compared to 1979/80, the greatest, almost fourfold, being in the procurement and almost twofold in cattle feed. It is envisaged, moreover, that about 0.4 million tons less potatoes will be used for planting.

The shortage of sets may be still greater considering exceptionally poor potato crops in areas in which the production of sets is greatest (the northern regions of the country). This event may cause a rather considerable reduction of the area of potato culture in 1981, which constitutes no less than 19-20 percent of the agricultural structure of nonsocialized farms. The losses occurring during storage of potatoes were estimated in the balance to be less than half as compared to 1979/80 as the result of the very small overall crop in percentage, however, losses will be considerable (about 15 percent), due to the poor preservable quality of potatoes (diseases, harvesting under conditions of excessive humidity, etc.).

A decrease in potato crops occurred in all voivodships, with the most serious, a threefold decrease, in voivodships of Torun, Wloclawek, Bydgoszcz, Elblag, Krosno, Koszalin and Lodz City, and more than twofold, in the voivodships of Slupsk, Gdansk, Bialystok, Konin, Chelm, Ciechanow, Pila, Plock, Rzeszow, Przemysl, and Zamosc. All voivodships anticipated a decrease of the possibilities of procurement of potatoes and limitation of their use to feed cattle.

Reserves and Prognoses of Purchase of Feeds

It is being estimated that the grain and potato crops, in terms of grain (4 quintals of potatoes = 1 quintal of grain) amounted in 1980 to 20.5 million tons, that is 4.3 million tons less (17 percent) than in the rather lean (because of disastrously small grain crops) year 1979. In all voivodships, the joint reserves of grain and potatoes, in terms of grain, are smaller than a year ago, out of which the worst--more than 30 percent--are the voivodships of Krosno, Wloclawek, Torun and Koszalin, and about 25-30 percent in the voivodships of Konin, Rzeszow and Przemysl.

Individual voivodships are earmarking an uneven amount of grain and potato reserves for feeding to cattle and there exists a rather great territorial differentiation in animal production. From the table given below it results that the smallest amount of grain and potatoes, compared to 1979/80, will be earmarked for feeding

Zboża i ziemniaki przeznaczone na spasanie w 1980/81 roku
w porównaniu z 1979/80 r.

Wskaźnik zmian 1979/80 = 100 1	Liczba województw 2	Województwa 3
105,1 - 100	3 4	łomżyńskie, ostrołęckie, siedleckie
99,9 - 95	6 5	zielonogórskie, opolskie, wrocławskie, stołeczne-warszawskie, białostockie, pilskie
94,9 - 90	12 6	radomskie, kieleckie, bialskopodlaskie, ciechanowskie, suwalskie, leszczyńskie, częstochowskie, szczecińskie, gdańskie, jeleniogórskie, legnickie, kaliskie
89,9 - 85	12 7	piotrkowskie, skierniewickie, tarnobrzeskie, olsztyńskie, poznańskie, katowickie, słupskie, miejskie krakowskie, miejskie łódzkie, bielskie, płockie, wałbrzyskie
84,9 - 80	7 8	tarnowskie, sieradzkie, zamojskie, nowosądeckie, lubelskie, chełmskie, gorzowskie
79,9 - 75	3 9	koszalińskie, bydgoskie, włocławskie
74,9 - 70	3 10	przemyskie, rzeszowskie, konińskie
69,9 - 65	2 11	elbląskie, toruńskie
64,9 - 60	1 12	krośnieńskie

Key:

1. Index of changes: 1979/80 = 100;
2. Number of voivodships;
3. Voivodships;
4. Lomza, Ostroleka, Siedlce;
5. Zielona Gora, Opole, Wroclaw, Warsaw City, Bialystok, Pila;
6. Radom, Kielce, Biala Podlaska, Ciechanow, Suwalki, Leszno, Czestochowa, Szczecin, Gdansk, Jelenia Gora, Legnica, Kalisz;
7. Piotrkow, Skierniewice, Tarnobrzeg, Olsztyn, Poznan, Katowice, Slupsk, Krakow City, Lodz City, Bielsko, Plock, Walbrzych;
8. Tarnow, Sieradz, Zamosc, Nowy Sacz, Lublin, Chelm, Gorzow;
9. Koszalin, Bydgoszcz, Wloclawek;
10. Przemysl, Rzeszow, Konin;
11. Elblag, Torun;
12. Krosno.

cattle in the voivodships of Krosno, Torun and Elblag. In the voivodships of Lomza, Ostroleka and Siedlce it is anticipated that the use of grain and potatoes for feeding will be jointly more than in 1979/80.

Reserves of feeds smaller than a year ago had an unfavorable influence on the trend in animal production. The quarterly census of animals taken in October 1980 showed, compared to 1979, a decrease in number of cattle by 4.1 percent, including that of cows by 2.3 percent, and that of hogs by 2.9 percent, including that of piglets by 6.4 percent and sows for breeding by 1.6 percent. It was found, moreover, that in the third quarter of 1979 there occurred a decrease of the coverage of sows at copulation centers, the sellout of sows, small demand for piglets, etc.

Changes in the pigherd against the background of the feed situation are illustrated by a map on page IV of the cover.

In this situation, and also considering shortages of concentrates in the state sale centers, at the beginning of November 1980 a decline in purchases of concentrates was anticipated despite the insufficient reserves of their own feeds on farms. It was estimated at that time that purchases of concentrates would amount to 2.9 million tons, that is about 0.4 million tons (11 percent) less than in 1979/80. Joint shortages of feeds: grain, potatoes and concentrates from purchases would then amount in the item of 'feeding to cattle' to about 2.1 million tons.

In order to ensure feed reserves at the level of the 1979-80 economic year, the purchases of concentrates should amount to about 5 million tons. There will be also shortage of other feeds such as: fodder root crops, corn for green forage, meadow hay, etc.

Considering the scarcity of feed reserves, a decrease is being anticipated of feeding rations, particularly potatoes.

The norms of grain feed (including concentrates), and potatoes to cattle were estimated [in quintals] to be approximately as follows, per head:

--horses, 9.5 of grain and 0.6 of potatoes,
--cattle, 2.5 of grain and 0.6 of potatoes;
--pigs, 3.4 of grain and 5.3 of potatoes;
--sheep, 0.3 of grain and 9.3 of potatoes;
--poultry, 0.2 of grain and 0.1 of potatoes.

In some regions of the country, potatoes will be practically eliminated from feeding rations for horses and cattle, and for other animals such rations will be outright at the "starvation" level. Despite the difficult feed situation, the differentiation of feeding rations by regions is rather considerable.

The lowest feeding rations of grain, concentrates and potatoes, together in terms of grain, 3.1 quintals per pig, are noted in the voivodship of Gdansk, and the highest, 6.6 q/head, in Skierniewice Voivodship.

A rather considerable quantity of these feeds were earmarked (on the average 5-6 quintals per pig) in the voivodships of Chechanow, Lomza, Ostroleka, Bialystok, Warsaw City, Siedlce, Radom, Lublin, Chelm, Zamosc, Piotrkow, Czestochowa and Jelenia Gora. In these voivodships, it is necessary in the current year to pay special attention to the rationality of feeding critical feeds to animals.

Government decisions taken in November 1980 aimed at ensuring greater procurement of potatoes and checking the falling tendencies in raising and production of animals may bring about a somewhat different expenditure of grain and potato crops than envisaged at the beginning of November 1980 and an increase in buying concentrates by farmers.

It seems to be expedient in the present difficult feed situation and decline of animal production to penetratingly analyze the estimated balances of 1980/81 crops, prepared in each gmina by PEPR specialists, from the viewpoint of getting the most rational management of the crops obtained.

The analysis of balance estimates broken up by gminas may lead to a more appropriate distribution of concentrates and limitation in some regions of the country of excessive, ineffective norms of feeding. In a more economical feeding of animals, for which in 1981 will be earmarked 70 percent of grain crops and about 53 percent of potato crops, lies--beside other beneficial results (greater profitability of raising animals, better organization of production, etc.)--a possibility of limiting the results of the decline in animal production caused by the failure of many feed crops in 1980.

1015
CSO: 2600/191

ROMANIA

MEASURES TO IMPROVE USE OF PRODUCTION CAPACITY STUDIED

Bucharest REVISTA ECONOMICA in Romanian No 16, 17 Apr 81 pp 5-6, 8

[Article by Ioan Mihai]

[Text] The process of the continued growth of material production in Romania throughout the years has required building a large number of enterprises and section which have been supplied with machinery, equipment and highly technical installations. Only in the last decade have nearly 4,000 industrial capacities been built and put into operation, while many other existing enterprises have been developed and modernized.

In the context of the measures taken to increase and modernize the fixed assets, an important component of the national wealth, the enterprises, industrial centrals and ministries have taken action for more sensible loading of the machine tools, installations and equipment, for better maintenance and operation of them and for reaching the parameters forecast within the schedules planned. Yet, as was pointed out at the meeting of the RCP CC Political Executive Committee on 10 March 1981, a number of basic machine tools, technological installations and production capacities, particularly the ones which entered into operation recently, construction equipment and means of transport have not been utilized at their full capacity. Proceeding from this situation, the party has set the task that all responsible factors without delay take the necessary measures to establish specific actions intended to contribute to improving the degree to which fixed assets are used and to the continued rise in the efficiency of investments.

Obtaining the Production Established Faster

Obtaining production at the level of the parameters established and achieving the technical-economic indicators approved within the shortest possible period from the time the new capacities are placed into operation is an objective need and urgent requirement for achieving the economic effect in mind when the investment was approved. Experience has confirmed that when the technical-economic documents for the new projects are thoroughly substantiated and when the production capacities being placed into operation have the necessary conditions insured for carrying them out and for their operation to conform to the provisions of the documents, the time it takes to execute and reach the planned parameters is minimal. In this regard what is conclusive are the terms under which the planned parameters have been reached for certain production capacities such as the cold strip mill at the Galati Iron and Steel Combine, the injection pump section at the Sinaia Fine Mechanics Enterprise, the spare parts section at the Iasi Auto Parts Enterprise, development of the

Electromagnetic Enterprise in Bucharest, the wood chair factory at the Sighetul Marmatiei Wood Processing Combine, the Iasi Enterprise for Woven Materials and Knitwear and others. Placed into operation in the last two years, these capacities have achieved economic-technical indicators in periods of time which have not exceeded 12 months.

Achieving the production forecast and the other indicators of economic efficiency in a relatively short period--for some of them it is even below the schedules forecast--is due to the thorough substantiation of the timeliness of the new capacities, through the technical-economic documents, including the profile and variety structure of production and precise implementation of the documents' provisions. In this way putting new capacities into operation with certain provisional situations or without carrying out certain jobs was avoided, jobs which apparently would not directly affect the normal flow of the production processes. Also, even before the start of execution of the investments, the problems were solved regarding carrying out the connected and collateral jobs--in strict correlation with the capacity--for providing the raw materials on the basis of a contract at the quantity and quality level provided in the documents for total sale of the finished production on the domestic market and for export, for diversifying production in accordance with the consumers' requirements and so forth.

Timely training of the operation and maintenance personnal also has held an important spot in insuring the conditions which permit intensive and efficient use of the machinery, equipment and installations supplied. As a result, at many capacities placed into operation in recent years, the forecast parameters have been reached in relatively short periods (3-6 quarters) and in some cases even were less than the terms forecast in the approved timetables. This is the case of No 2 6-inch rolling mill at the Roman Pipe Enterprise and the middle-section rolling mills with special sections at the Otelul Rosu Enterprise, the Cotton Weaving Mill in Tirgu Mures, the Trainica textile enterprise in Pucioasa, the Knitwear and Woven Material Enterprise in Iasi and so forth.

However, in other capacities where the central concern has not been providing personnel and training them in time at the level required by the new technologies, together with providing the other necessary conditions, the main technical-economic indicators have remained below the tasks established, although the terms provided in the approved timetables expired long before. A number of capacities are in this situation, such as the Pitesi Automobile Enterprise, the Lonea Mining Enterprise, the knitwear enterprises in Cehul Silvaniei and Cimpeni and others.

Reasons and Consequences of Not Reaching the Technical-Economic Indicators Forecast

The new capacities placed into operation, however, in all cases have not reached the parameters forecast in the time limits forecast. There are various reasons for this state of affairs. Of 133 industrial production capacities, with time limits forecast in expired timetables, which had not fully reached the approved technical-economic indicators approved by the end of 1980, for more than 60 percent of them the main reason for failure was the lack of certain raw materials or providing them under conditions different than those provided in the documents approved; in other cases the frequent changes which occurred in the structure of production, determined by the consumers' requests, led to going beyond the time limit for fitting into the parameters forecast.

A number of industrial production capacities put into operation in recent years have been in similar situations. One example is the cable section at the Cimpia Turzii Metallurgical Combine, which was forecast to achieve production at the level of capacity in the first quarter of 1980, but which, due to the lack of dead-drawn wire, is achieving a production which is merely 75 percent of the level forecast. The reason for failing to completely provide for the need for dead-drawn wire is the failure to have the No 3 hard steel drawing mill in this same combine go into operation within the planned time limit. Due to this same shortcoming, production and other approved parameters were not achieved by the new steel cable capacity at the Ploiesti Cablul Romanesc Enterprise. This situation could have been avoided if the investments intended for building the No 3 hard steel drawing mill at the Cimpia Turzii Metallurgical Combine would have provided the necessary conditions on time which would have permitted having the capacity go into production within the planned time limit, a condition which included having the builder and supplier of equipment respect the contract obligations.

A similar situation also is found at the calcium carbonate precipitate installation at the Piatra Neamt Chemical Fertilizer Combine, placed into operation in April 1979. Here the main technical-economic indicators approved could not be carried out completely, in particular due to the failure of the units of the Ministry of Forestry Economy and Building Materials to provide the type I industrial rich lime, with a maximum of 7 percent residue on slaking and replacing it with building lime with 40-60 percent residue on slaking.

With regard to the difficulties connected with providing complete sale of the products, which appear after the new capacities have been put into operation, in many cases they are due either to a change in the requirement of the domestic and foreign consumers for the necessary quantities, variety structure and quality of the products or to failure to build all the consumer capacities within the time limits planned and which were taken into consideration when substantiating the timeliness of creating new production capacities. Part of this category is the factory for furniture from panels made of particle board from split and textured wood in Covasna. Forecast in the approved timetables to achieve the parameters approved in the fourth quarter of 1978, to date it still has not reached these parameters due to the lack of orders. In exchange, the factory has complete sale insured for the production of furniture with shiny and matte finish veneering. In such a situation the problem arises of whether the consumers' preferences have gone toward other kinds of furniture and why the enterprise did not demonstrate more receptiveness and efficiency in assimilating the varieties of furniture requested by the market and introducing it into manufacture as planned currently in the programs of measures adopted.

These examples with all clarity bring out the need for carrying out a complex investigation of current and long-range requirements of the market on the basis of thorough marketing studies. At the same time, the contracts concluded with the suppliers of equipment or raw materials and consumers of the finished products must specify both the quantities of raw materials and their content in useful mineral substance, in the case of providing the consumption requirement for the new capacities, as well as the volume of finished products and their variety structure in the case of sale of the production.

Supplying New Projects With High-Output Technological Equipment and Installations

A decisive role in reaching the approved parameters quickly is played by the quality of the technological equipment and installations, primarily the basic ones. The optimum use of the capacities depends decisively on the quality, output and behavior in operation, on the degree of qualification, wisdom and skill of the operation and maintenance personnel, when all the other conditions are provided. However, it has been found that for one reason or another (mistakes of design made in the defective operation of certain equipment or installations, having the suppliers overestimate the technical-production performance of equipment and installations acquired from import (or from Romania and so forth) a number of production capacities which have gone into production in recent years have not achieved the technical-economic indicators forecast within the time limits forecast.

A specific case is the installation of briquetting with binder of lignite from the carbon-bearing basin in Capeni, where one of the main reasons for failure to achieve the parameters approved is the frequent defects of some of the basic equipment,which could not be found until the guarantee term provided by the foreign supplier had expired (for the equipment delivered as well as for the technological drying process and production of the necessary heat). Similar cases also can be cited for other installations produced in the country or obtained from import.

Such situations could have been avoided, at least partly, under conditions in which the behavior of similar equipment in operation could have been thoroughly checked before contracting, if they had been produced previously and already were in operation. Thus, it is necessary to provide precise clauses in the contracts concluded with all suppliers of equipment of component parts of them, clauses by which they would assume appropriate material responsibility in cases where the equipment or installations delivered do not confirm the inidicated parameters in operation.

Of course, there are situations in which, for one consideration or another, in a certain period of time there cannot be complete insurance of the new capacities put into operation, the raw material or necessary utilities at the level of the quality forecast in the documents. In cases where the changes act for a long period of time and it no longer is possible to return to the conditions taken into consideration when the documents were approved,it seems timely to take into consideration the effect of these changes on the level of the parameters approved initially, to which the particular corrections must be made.

Eliminating the reasons which can unfavorably affect the level of technical-economic indicators of the new production capacities which are put into operation during investment activity is possible and must be one of the basic concerns of the holders and beneficiaries of investments, of the designers, builders and suppliers of machinery, equipment and technological installations. It can and must be obtained through close cooperation among all these factors and other organs concerned with insuring all conditions, even from the phase of the planning and carrying out of the investments, which permit complete and efficient use of the new capacities throughout their length of normed service. However, this also required timely training of the personnel for operation and maintenance at the level required by the technological processes and technologies supplied as well as by insuring the raw materials, materials and fuels, energy, water and other utilities. On the other hand, what should be kept in mind is the creation of conditions for complete sale of the production by closing firm, long-term contracts with domestic and foreign consumers as well as providing of all the necessary cooperation in carrying out production, creating nuclei of research and design within the new units, with whose help the introduction of what is new in production can be insured as well as efficient adaptation to the consumers' demands.

8071
CSO: [illegible]

IMPORTANCE OF REDUCING PRODUCTION COSTS STRESSED

Bucharest REVISTA ECONOMICA in Romanian No 16, 17 Apr 81 pp 7-8

[Article by Gh. Sica, director in the State Committee for Prices]

[Text] A characteristic feature of Romanian economic development in the years of the current five-year plan is the emphasis on promoting intensive factors. These aim at achieving an increase in production due to the increase in labor productivity and, in general, in planned production with smaller material consumption per unit of product compared with preceding periods, improvement in the indicator of utilization of production capacities, in the end obtaining a rise in national income by increasing the coefficient of efficiency. By their very nature, production costs are an economic category endogenous to intensive factors, since they are integrated in the concept of saving on social labor; by mobilizing the ways to reduce production costs, an increase in net income is sought, that is, in the material and financial resources of the economy.

A basic component of the concept of saving on social labor, the reduction in production costs exercises a direct influence on increasing profitability, on obtaining a higher mass of national income and, implicitly, on providing the resources needed for a systematic rise in the population's standard of living. In accordance with the provisions, a volume of savings of 270 billion lei, of which 27 billion are in 1981, is to be obtained during the years of this five-year plan by reducing production costs and material expenses per unit of product. At the same time, in order to consolidate the base for forming production and delivery prices from 1 January 1981 in Romania's economy, the work collectives have committed themselves to obtaining additional savings of 5 billion lei this year compared with the plan, while it is 60 billion lei at the 1985 level.

Taking into account all these considerations, the level of production costs, in which material expenses have a decisive share, must be a determining element in adopting various decisions of guidelines in increasing production.

Substantiated Technical and Economic Measures

In conformity with the provisions of the single national plan, a 7-percent increase over 1980 is to be obtained in mass of national income this year; in order to reach this goal the costs in national industry must be reduced by nearly 13 lei, in construction by 11 lei, in state agriculture, by more than 130 lei per 1,000 lei production good.

Reducing the share of material expenses in total products by just one percent would mean for industry as a whole permitting an additional net production this year of around 8 billion lei and for the national economy as a whole, of 13 billion.

The means for mobilizing existing reserves in the economy with a view to reducing costs is the program of measures which is an integral part of the single national plan. A program of measures worked out and sought appropriately in the enterprises and centrals, with solutions which result from a critical analysis of the evolution of the level of costs in the preceding periods, with an emphasis on technical and technological measures, with scientific evaluations of the anticipated economic effect and with precise terms and responsibilities may permit an efficient leadership of the technical-economic processes, mobilization of the domestic reserves for reducing costs, primarily material expenses.

On the basis of an analysis made by the specialized organs of the State Planning Committee and the Ministry of Finances at the end of February, the result is that of 68 industrial centrals, 23 have partially covered the task for reducing production costs partially with measures. Thus, in the Ministry of Machine Construction Industry, the Bucharest Industrial Central for motors and electro-insulating materials worked out measures only for 22 percent of the volume of savings planned for 1981, the Bucharest Industrial Central for Energy, Metallurgical Equipment and Hoisting Machinery, only for 40.5 percent, while the Brasov Industrial Centrals for Bearings and Assembly Organs, only for 48 percent. Also, the necessary measures still have not been worked out for completely covering the volume of savings planned at some units in the Ministry of Metallurgical Industry, such as the Hunedoara Iron and Steel Combine, the Slatina Nonferrous Metal Industrial Central and the Bucharest Industrial Central for Metallurgical Processing. Other economic units also are in the same situation.

The analysis we have referred to has also brought out that appropriate attention still is not being given to long-range measures in the area of saving on social labor in the programs of measures and, in general, in the activity to reduce costs and material expenses per unit of product. We refer to the redesign of some outdated products, to the improvement of manufacturing technologies and to certain processes to optimize domestic transport. It also has been found that measures to reduce costs have not been laid out by sections and shops in all enterprises. The base for carrying out the measures can only be the section and shop, that is, where the actual economic-technical process takes place.

The existence of such situations is explained by the insufficient concern of the particular collectives with discovering and bringing out the available reserves,by delaying in establishing and applying certain measures which lead to speeding up the introduction of advanced technologies withe high degree of savings as well as lead to high utilization of raw materials and so forth. At the Cimpia Turzii Metallurgical Combine, for example, it was found during the analysis mentioned that the consumption standards for certain raw materials and materials were taken into consideration at a higher level for 1981 compared with those achieved last year, while for other reductions they were purely symbolic. By carrying out the changes required, the degree to which the program of costs is covered rose more than 10 million lei, that is, around 20 percent. It is clear that when the concerns are concentrated on resolving certain precise goals, the necessary solutions are also found for reaching the goal sought.

Emphasizing the Processes for Superior Utilization of Raw Materials

Promotion of intensive factors of development, among other things, also means stressing the processes for superior utilization of raw materials and materials, fuels and energy, which are called on to contribute powerfully to reducing the level of production costs. In order to illustrate the importance of this factor, it is enough for us to stress that raising the indicator of utilization of material by 10 percent in 1981 would lead to a savings of 52,500 tons of metal, or $12 million (equal to quantities of coke, ore, ferroalloys and energy, the importing of which would be given up) and to an additional 210 million lei in profits.

Currently all the branches and subbranches of the national economy have received through the single national plan tasks for raising the indicators of utilization. Thus, the degree of utilization of raw material supplied in the enterprises of the machine construction industry is to increase this five-year plan by around 30 percent, providing a reduction in costs per 1,000 lei production good of 68 lei; in enterprises of the chemical industry a high utilization is to be achieved of 13.2 percent of processed raw materials, providing a 59-lei reduction in costs per 1,000 lei production good; in enterprises of light industry the increase in degree of utilization of raw materials is to be 22 percent, which will permit reducing costs by around 60 lei per 1,000 lei production good. Fulfilling these goals to improve the processes for utilization of raw materials and materials will contribute to a great extent to reducing costs.

In emphasizing the processes for utilization of raw materials and materials, costs this year should receive positive stimuli due to intensification of the recovery and utilization of reusable materials. In this way, in conformity with the goals established in the plan, a minimum of 7 million tons of steel should be obtained, as well as 23,000 tons of lead, nearly 300,000 tons of paper and cardboard and around 90,000 tons of textiles. Recycling reusable materials is particularly efficient from an energy viewpoint, too, since it means a consumption of just 5 percent of the quantity of energy needed to manufacture 1 ton of aluminum and copper, for example, and 30 percent of the quantity needed , except in the case where new raw materials are used.

However, it has been found that although it exercises an important influence on reducing production costs, the reusage of materials is not finding an appropriate place in the programs to reduce production costs in certain economic units (the Bucharest Industrial Central for Chemical Equipment and Refineries, the Industrial Central for Electric Motors and Materials, Galati Iron and Steel Combine and so forth), despite the fact that they have available large quantities of reusable resources. This is because a number of efficient measures provided is not being applied within the time-limits established. In particular, we are referring to the introduction of heat economizers, to the modernization of burners, pressure boilers, steam recovery and so forth--important factors in saving on primary energy and reducing costs per unit of products.

Increasing the Indicators of Utilization of Fixed Assets and Level of Costs

Among the important elements which can lead to reducing production costs (through amortization per unit of product) we also have rational utilization of production capacities. The Romanian economy holds a large volume of fixed assets--around 2,000 billion lei, of which more than 62 percent have been put into operation in the last decade; thus, it is a question of modern industrial equipment with peak technical-economic parameters. This potential must be made productive as well as possible, especially since in 1981 the value of fixed assets is to rise yet another 9.2 percent.

A 1-percent increase in the efficiency of fixed assets over the task forecast in the single national plan for 1981 equals nearly a 3-billion lei rise in net production, which can provide salary fund for nearly 40,000 workers or supplementing the fund for participation in profits by more than 250 million lei or the necessary funds for building 15,000 conventional apartments (2-room).

Important problems in connection with full and efficient utilization of production capacities rise in many enterprises. There still are a number of new units where they delay for long periods in reaching the parameters planned, with a direct effect on production costs. In such situations, for example, is the Hoghiz binder enterprises, where costs are way beyond the forecasts, precisely due to utilization of the installations supplied at reduced indicators. There also are cases where some fixed assets which are highly productive are not being used at their full capacity during one month or one quarter, which is reflected negatively in the level of costs per unit of product. That is why efforts are needed in each enterprise for efficient use of the technical supply, for superior organization of production processes, promotion of advanced technologies, and providing of steady supply with what is needed. Stressing the importance of better utilization of production capacities, the party's secretary general, Comrade Nicolae Ceausescu, said: "Only if we provide for the total operation of existing capacities for all installations, equipment and machinery can we achieve production for 1981, without any other investment, without a new capacity being put into operation."

Units in the construction-assembly sector are to make a large contribution to the area of saving on social labor; this year they must obtain nearly a 1.9-billion-lei volume of savings. In this sector, taking into account the specific nature of the activity, the processes for saving on social labor are to be carried out in two ways: on one hand, by making the most realistic possible determination of the value of the estimates for the particular projects (by elimination of overmeasuring) and, on the other, by reducing production costs.

Solutions were established at the exhibit organized last year on standardization of certain constructions and construction elements; these solutions reduce the number of model construction designs from around 3,300 to nearly 500 and a more sensible coordination of activity for standardization of construction with that of construction materials. Model designs being kept are seeking a broader utilization of local, traditional, recoverable materials as well as moduling for the size of buildings, which will lead to a reduction in unusable spaces and to relative unification of the sizes of prefabricated elements. The technical documents for construction projects are to take into consideration these solutions. In this way it is anticipated that a savings of 50 billion lei is to be achieved in the 1981-1985 five-year plan as well as around 10.5 million tons of cement, 2.7 million tons of metal, 400,000 tons of asphalt, 19,000 kg of cables and conductors and other things. At the same time, by reducing production costs compared with the estimate, large savings are to be obtained which are supported by eliminating the defects experienced on some jobsites, combatting of waste, rational use of equipment and the labor force, rise in the degree of mechanization of projects, reduction in projects with organization of jobsites and so forth. The programs of measures to reduce production costs are to be taking into consideration these specific ways to reduce costs compared with the estimates.

In the current international economic context of existing difficulties in providing raw materials and energy as well as in penetrating the foreign markets with our own products, the increase in the quality of products and their competitiveness is a primary task . Savings do not have to be achieved to the detriment of the products' quality or through manufacturing prescriptions which deviate from the standards of quality and domestic production standards. The expenses required by the State Standards and domestic manufacturing standards are taken into consideration in the cost calculations in the plan and, as such, any savings to the detriment of quality affects the competitiveness of our products.

The reduction in production costs, a definitive element in economic efficiency, in this stage requires greater concern from all workers so that they are achieved under conditions of insuring higher quality for the products.

8071
CSO: 2700/253

ROMANIA

WORKERS, SOLDIERS, STUDENTS SENT TO WORK IN MINES

Some 7,000 Helpers in Gorj

Bucharest SCINTEIA in Romanian 16 May 81 pp 1, 3

[Article by SCINTEIA correspondent Dumitru Pruna: "A Patriotic Incentive, a Common Cause--More and More Coal for the Country--Beginning Yesterday, 7,000 Workers from the Entire Country in Support of the Miners in Gorj"]

[Excerpts] Yesterday morning there was a festive meeting in Rovinari to open this year's edition of the widespread action of worker mutual assistance organized in the coal mining area of Oltenia. The following comrades took part in the meeting: Virgil Trofin, member of the Political Executive Committee of the RCP Central Committee, deputy prime minister of the government and minister of mines, petroleum and geology; Nicolae Gavrilescu, first secretary of the Gorj County RCP committee; Pantelimon Gavanescu, first secretary of the Central Committee of the Union of Working Youth and minister for youth problems; representatives of the ministries of petroleum and geology, electric energy, transportation and telecommunications, industrial construction and national defense; the leadership of the "Oltenia" mining combine; numerous miners, construction workers, energy workers, and other workers. The participants expressed their thanks to the leadership of the party and to Comrade Nicolae Ceausescu, the initiator of this campaign, for his parental concern and the unceasing support which he constantly gives to the miners. They also expressed their gratitude for the new participation of workers from all over the country in the great campaign for the unceasing increase in the production of coal. Similar meetings took place in the coal mining areas of Motru, Jilt and Husnicioara-Mehedinti, as well as in the energy-producing areas of Turceni.

But let us go back a little in time...

...The Girla pit, 11 October 1980. An emotional moment in the effort to give the country more and more coal: the conclusion, with good results, of "Campaign 7,000," a widespread action of a national nature initiated by the secretary general of the party. The message of congratulations addressed to the participants in this campaign said "I an convinced that by developing and enriching the experience gained in the first phase you will return in the spring to work alongside your comrade miners in the effort to give the country more coal."

Spring in the coal mines of Oltenia. The first spring of the new 5-year plan of quality and efficiency. This year more than 32 million tons of lignite must be mined in the Gorj mining basin. Also an immense volume of work which will permit the considerable increase in coal production in future years must be completed. During this period average daily production has risen to almost 80,000 tons, but the demands of the national economy require that about 100,000 tons be produced a day.

The director general of the Oltenia mining combine, Vasile Ogirlaci, told us that the new campaign of worker mutual assistance and solidarity, which was initiated this year in the Gorj minefields on the order of the secretary general of the party, is of great importance. Scheduled to take place during the period from 15 May to 15 October, "Campaign 7,000" involves workers from 27 counties and from Bucharest Municipality, members of the armed forces, pupils and students, who will participate for periods of from 1 to 2 months in the execution of projects in the framework of the National Worksite for Youth in this coal field. The participants in this campaign will use new equipment, including 177 excavators, 169 bulldozers, 1,177 large dump trucks and other equipment. Highly skilled in the trades of driver, excavator, bulldozer operator, maintenance mechanic, and road builder, the workers, soldiers and young people who come to the Oltenia mine fields will contribute, mainly to the discovery of new deposits of lignite and to the execution of work for putting into operation new technological lines, hydrotechnical projects and embankments for the protection of the pits from water as well as access roads which would contribute to the good operation of rotor excavators and ensure normal working conditions in cold weather.

This, "Campaign 7,000"--the symbol of the participation of the working force from all over the country, alongside the 30,000 miners, in the common effort to give the country as much energy-producing coal as possible--is being launched in even more impressive proportions this year. In brief, "Campaign 7,000" from which all the mine sites and mining enterprises in the Oltenia region and the Rovinari and Turceni thermoelectric power plants will benefit, takes the form of an immense volume of work, concentrated in 24 centers of activity, aiming at the uncovering and transporting of 10 million cubic meters of waste material and the uncovering of a coal reserve of at least 3.5 million tons--more than twice as much as last year.

What factors are taken into account in estimating this impressive yield? Engineer Costica Soare, director in the Oltenia mining combine, told us: "Naturally, we are taking into consideration the period of time, almost 2 months more, during which the workers, soldiers and young people will be working in our region [this year]. Also, this year, the campaign is better organized since the designs and equipment necessary for each project are already available. In addition, we will provide a number of pieces of equipment belonging to the combine, especially excavators, which will ensure the progress of the activity of excavation and transportation on extended shifts. With the assistance of the Ministry of Transportation and Telecommunications, we have organized better the maintenance and repair of equipment."

Comrade Ilie Rautescu, secretary of the party committee in the Rovinari-Jilt mine, said: "The most important thing is that the working and living conditions of the participants in the campaign will be much improved compared to last year. All workers, including the soldiers will be housed at campsites which have been set up near the worksites. They will have comfortable living quarters, hot and cold water and other utilities. The camp areas have recreation rooms, movie rooms, sports areas and dispensaries."

Calimani, Cimpu lui Neag Campaigns Launched

Bucharest SCINTEIA in Romanian 2 Jun 81 p 1

[Excerpts] With high Communist responsibility in executing the program established by the party for the utilization of new resources of raw materials and energy-producing materials, two new and extensive campaigns for worker mutual assistance were launched yesterday in Calimani and Cimpu lui Neag, and there were ceremonies inaugurating the two new campaigns of worker solidarity and mutual assistance. The "Sulphur-Calimani 81" campaign and the "Mineral Coal-Cimpu lui Neag" campaign are added to those which are in full swing in the mining region of Oltenia, in Horezu and in Rosia Poieni. These are five worker campaigns organized on the basis of the decision of the leadership of the party and the state, upon the initiative of Comrade Nicolae Ceausescu.

Assistance in Increasing Sulphur Yields

Bucharest SCINTEIA in Romanian 2 Jun 81 pp 1, 3

[Article by Dionisie Sincan and Sava Bejinaru: "Sulphur-Calimani 81"]

[Excerpts] Seven detachments of workers from seven counties of the country are present in Calimani. About 2 million cubic meters of rock will be removed from the road to the sulphur deposit and 20 km of new access roads will be built to the mountains. Yesterday a broad campaign of worker mutual assistance was launched in Calimani for the purpose of intensifying the pace of preparations for the extraction of the sulphur deposit. Comrades Virgil Trofin, member of the Political Executive Committee of the Central Committee of the Romanian Communist Party, deputy prime minister of the government and minister of mines, petroleum and geology, and Traian Girba, first secretary of the Suceava County RCP Committee, as well as local party and state representatives took part in the inauguration of the campaign. Caravans of dump trucks registered in Maramures, Suceava, Harghita, Iasi, Botosani, Bistrita-Nasaud and Giurgyiu counties as well as caravans of trailers, transporting bulldozers, excavators, compressor cylinders from the same counties have been coming to the work front. In the workers' colony, preparations have been completed for receiving the seven detachments of workers, engineers, and technical cadres from Bucharest Municipality as well as the soldiers. Each county has its own section in the blocs with all that a man would need after a day of fighting with the mountains: beds with sheets white as snow in rooms with central heating equipped with hot and cold running water. Construction of a canteen with hundreds of seats is near completion; tables and chairs are expected soon.

We were able to talk to Engineer Remus Craciun, the deputy technical director of the "Suceava" mining combine, the person who is responsible for organizing the worker mutual assistance campaign.

--What is the purpose of the campaign?

--To increase the capacity for uncovering deposits. On 31 October of this year we will call a halt and reap. The total will be: 1 million cubic meters of rock moved to dumping sites; 100,000 tons of sulphur will appear; 950,000 cubic meters of removed rock will result from the consolidation work on the roads and dumpsites.

--Impressive!

--Perhaps. But the plan for this year calls for more than 9 million cubic meters of rock to be removed. The "Sulphur-Calimani 81" campaign is responsible for about 2 million cubic meters.

--The workers who have come to assist total more than 1,200. What are their "weapons"?

--More than 200 dump trucks, more than 20 excavators, more than 30 bulldozers, compressor cylinders, etc. The road construction crew will lay 20 km of access roads to the pit and the dumping sites; the mechanics will help in the maintenance of the equipment and they will repair and service a number of pieces of equipment belonging to our work site. We will have welders, concrete workers, crane and bulldozer operators, technical-engineering personnel, electricians, etc--more than 1,200 highly skilled people. In addition to them, there are the labor force from our combine and from the central and more than 300 miners from Baia Mare who have been working here since the beginning of May preparing the terrain for this campaign. We will succeed because it is a party task and a common cause, with economic implications of major importance.

Help in Mineral Coal Mining

Bucharest SCINTEIA in Romanian 2 Jun 81 pp 1, 3

[Article by Sabin Gerbu: "Mineral Coal--Cimpu lui Neag"]

[Excerpts] More than one million cubic meters of waste material will be excavated in order to prepare for the mining of 200,000 tons of coal. More than 600 workers and students from Hunedoara County have come to the assistance of miners in Cimpu lui Neag.

Last spring, bulldozers, excavators and dump trucks arrived in Uricani, in the western part of the Jiu Valley, at the edge of the village of Cimpu lui Neag. After more than a century of underground mining in the Jiu Valley, the first open pit mine for coking coal was inaugurated. Engineer Gheorghe Stoicuta, who is currently head of the open pit mining sector, was one of the first to arrive to open the new mine.

Engineer Stoicuta told us: "The first ton of coking coal from the micropit which we opened here in Cimpu lui Neag was extracted on 29 June 1980. The activity of uncovering deposits has been intensified. This year, by increasing the number of workers and equipment we have begun to expand substantially the open pit mining of coal. From the beginning of the year up to the present, more than 60,000 tons of coking coal have been mined, 10,000 more than called for by the plan."

There are large reserves of mineral coal in Cimpu lui Neag, and the extraction of this coal from the pit is very efficient. In order to ensure that this mine is producing at full capacity in the shortest possible time, it has been necessary to concentrate considerable technical, material and human forces in the mine for the purpose of executing current mining work and for the rapid execution of related jobs of uncovering the deposits, organizing transportation of coal and waste material, etc.

This is why a significant campaign of worker mutual assistance called "Mineral Coal--Cimpu lui Neag" was launched on 1 June. More than 600 excavator operators, bulldozer operators, drivers, mechanics, and workers from 14 economic units in the county and students from the Institute of Mines in Petrosani have begun their activity in various work sites to contribute to increasing the production of coking coal which is so necessary to the national economy.

How has this activity been organized? We asked for details from Comrade Dan Otto Surulescu, director general of the Jiu Valley mining combine.

"The activity of those who have come to give us assistance will be carried out between 1 June and 31 October 1981. In this period, some 1,050,000 cubic meters of waste material will be stripped, which will open up coal deposits which will yield 200,000 tons of coal this year. The front opened up by surface strippings and by deep mining this year will enable us to obtain more than 280,000 tons of coal from the pit next year. It should be stressed that, along with the stripping action this year, 1,000 tons of coal will be mined each day, and production will reach 1,500 tons a day next year."

After a short period of festivities, everyone began to work. The 14 high-capacity electric excavators and hydraulic excavators, the 76 16-ton dump trucks, the 15 bulldozers, tractors and other equipment, the youths and the older workers, some of them with experience in working on a number of construction sites in the country, began the battle to extract from the mountain the "bread of industry."

Many young people and experienced workers have come to Cimpu lui Neag from Hunedoara, Deva, Riu Mare-Retezat and other economic centers in Hunedoara County to engage in the worker mutual assistance campaign, determined to contribute with all their forces and intelligence to the execution of a common cause of great patriotic importance, that of giving the country increased quantities of coking coal. Here, just as in the underground mines in Lupeni, Uricani, Barbateni or Paroseni--where coking coal is mined--the "Mineral Coal-Cimpu lui Neag" campaign will register new feats of labor in the great competition of the miners of the country to increase coal production.

Assistance in New Mine in Horezu-Vilcea

Bucharest SCINTEIA in Romanian 3 Jun 81 pp 1, 3

[Article by Ion Stanciu: "New Actions of Worker Solidarity in the Newest Coal Mining Area of the Country"]

[Excerpts] In the framework of the campaigns of worker solidarity and mutual assistance organized on the basis of a decision of the leadership of our party and state on the recommendation of Comrade Nicolae Ceausescu, we are reporting today on the activities taking place in the new mining area in Horezu-Vilcea. The young engineer Vasile Badea, the director of the Horezu mining enterprise, reported that in 1980, the first year the mine was opened, the plan was fulfilled despite the fact that two-thirds of the 629 miners were unskilled. "More than 28,741 tons of coal above the plan were mined. This year, the production of coal is slated to be twice that of last year, and the projects for opening up new pits and underground stopes are much more extensive. Therefore, in the name of our young collective, I express my thanks to the secretary general of the party, Comrade Nicolae Ceausescu, who had the brilliant idea and initiative to organize campaigns of worker mutual assistance in key points of the national economy. For example, scores of workers from many enterprises in Vilcea County have come to us, rolled up their shirtsleeves and immediately gone to work alongside the miners to open up new pits."

At the festive meeting inaugurating this campaign we met construction workers from other work fronts in Vilcea County, excavators from the Olt River straits, builders of the hydroelectric power plant on this river, mechanics and drivers for the automotive transportation enterprise, etc, who will be able to give skilled assistance in opening up new mines in the Horezu mining area.

According to the pledge made by these workers, they will execute excavation work on more than 400,000 cubic meters, uncovering at least 70,000 tons of coal. They will also execute important hydrotechnical projects, setting up embankments for new technological lines, and restore 16 hectares of land for agricultural use.

CSO: 2700/282

FEATURES, PROGRESS OF DANUBE-BLACK SEA CANAL DISCUSSED

Bucharest REVISTA ECONOMICA in Romanian No 19, 8 May 81 pp 19-20

[Article by Col Gen Vasile Ionel, deputy minister of transportation and telecommunications, and director general of the Danube-Black Sea Canal Central]

[Text] The idea of a direct connection between the Danube and the Black Sea, which would shorten the distance between Cernavoda and Constanta from about 440 km--this being the sea lane from the mouth of the river--to 64 km, arose more than a century ago, but its accomplishment became possible only during the years of the socialist construction. This reflects the broad capabilities of the fully developed Romanian economy, and the constant concern of the party to continue to modernize the nation's means of transportation by creating a unified, high capacity system with good economic efficiency.

The forecast studies regarding Romania's economic and social development, including those covering the development of transportation and telecommunications during the 1970-1990 period, show that a major characteristic of this development will be a large traffic of goods, with the volume of transported freight being expected to increase more than four-fold.

The construction of a navigable canal between Constanta, site of our country's major export-import activity, and the Danube, a most important navigable river in Europe, offering Romania advantageous transportation conditions over more than 1000 km, will assure a new and large transportation capability which will be able to support the traffic growth in that direction. Together with the extensive electrified railway network, the navigable canal will assure a transportation capability for a very long future. At the same time, the canal will constitute an important link in Europe's inland navigable system, which connects the Danube to the Rhine, Elbe, Oder, Vistula, and Dnieper rivers, and which provides access to the North Sea and the Baltic. Moreover, the completion of a direct navigable waterway between the sea port of Constanta and the Danube, will help reduce transportation costs by shortening the waterway distance between Constanta and Cernavoda by nearly 380 km, while assuring advantageous conditions for higher international through-traffic.

In analyzing all the aspects presented by the construction of this canal, the leadership of our party and Nicolae Ceausescu, who deserves personal credit for formulating the concept of the canal, have also decided to develop the capacity of the present Port of Constanta by building a new sea port located in the South Constanta-Agigea area, where the Danube-Black Sea Canal will end. These two large objectives, the canal and the new port, are part of the Danube-Black Sea Hydroelectric and Transportation Complex, and are correlated in terms of execution and start-up schedules.

The path of the canal which is now under construction, was selected after examination of a large number of variables, the major of which were: inclusion of the objective in the Danube-Black Sea Hydroelectric and Transportation Complex; maximum utilization of the work performed during 1950-1953 between Cernavoda and Constanta, and reduction of the volume of work required for rebuilding and redesign; assuring the uninterrupted operation of the irrigation system and communication channels in the area: maximum use of the natural conditions offered by the land so as to reduce the volume of operations; assuring navigation along the canal both for river vessels and for low-tonnage sea vessels.

Beginning at the Danube in the Cernavoda area, the 64 km of the canal cross Dealul Hinogului, enters Valea Carasu, goes through Medgidia, and until it emerges into the sea at the new port, crosses the plateau between Basarabi and Straja toward Lake Agigea. The primary purpose of the canal is river navigation, but it also performs complex functions of water management, including irrigation, drinking and industrial water supply, and drainage of rain water floods.

To establish the technical characteristics of the canal, it was necessary to study and determine the optimum type of vessel for calculation purposes, the conclusion being that this ship is a 3000 ton barge. The optimum convoy for calculations consists of six barges of up to 3000 tons each, for a total of 18,000 tons, with a length of about 300 meters and draft of about 4 meters, and powered by 2200 hp. A double file of such convoys will be able to navigate on the canal, which has a depth of 7 meters and a width of 70 meters at Valea Carasu and 90 meters where it crosses the Basarabi plateau toward the sea.

Two locks of dimensions suitable for the convoys are built at the entrance into the canal from the Danube, and at Agigea; a staging area with a width of 150 meters is built upstream and downstream of each lock. Three ports for different traffic volumes, up to 11 million tons per year, are being built at Cernavoda, Medgidia, and Basarabi. The canal will also be crossed at Cernavoda, Medgidia, Basarabi, and Agigea by bridges of a total length of nearly 3000 meters, including viaducts, with a free clearance of 17 meters at high water level.

A brief presentation of the concept and major technical characteristics of the Danube-Black Sea Canal, without even describing other ancillary projects--pumping stations, water supply canals, dams, electric power lines, telecommunications lines, oil and gas pipelines, redesigns, and modifications--will show the impressive volume of the activity conducted by the builders of this outstandingly important objective in our national economy. The excavation of some 300 million cubic meters of various kinds of earth, the pouring of more than 4 million cubic meters of concrete in locks, support walls, and port constructions, the protection of the canal's banks over an area of more than 4 million square meters, as well as other projects, are carried out with the participation of workers from many counties in our nation, military units, and teams of young people organized by the Central Council of the UTC (Union of Communist Youth). Working with abnegation and self-sacrifice, they handle a complex technology--excavators with shovel capacities of up to 8 cubic meters, cranes and self-propelled cranes, bulldozers, self-propelled graders, dump trucks with capacities of 16 to 120 tons, suction-ejection dredges, and so on--most of them the fruit of our machine building industry.

Enjoying the special attention devoted to this objective by the higher leadership of our party and state, and aware of their responsibility, the builders of the canal are making all possible efforts to fulfill their obligations. In July 1980, during the working visit he made to the canal site, Nicolae Ceausescu thoroughly and competently analyzed the stage of operations, and established concrete tasks for the scheduled completion of this great investment.

At the Cernavoda and Agigea locks, the rate of concrete pouring is constantly growing, and should reach about 1000 cubic meters per day so that this activity may be closed on 1 October 1981. Intensive efforts are being made to create new work fronts so as to complete the support walls in the canal zone between Basarabi and Agigea. The builders have undertaken the obligation to surpass the plan's physical tasks during this year by pouring an additional 85,000 cubic meters of concrete, thus reducing the amount that remains to be poured during the next year.

All infrastructure operations are being finalized at the construction sites of the bridges which cross the canal; installation units are organizing themselves to receive metal aprons from plants of the Ministry of the Machine Building Industry, and to assemble and install them. In the canal sector between Cernavoda and Basarabi, along approximately 40 km, military units alongside and together with workers, technicians, and engineers belonging to site groups 1 and 2, to the dredging site, and to formations of the Basarabi Heavy Equipment Enterprise, are increasing their efforts so that the major work on this portion of the canal will be generally finished by October.

Through better work organization, improved planning, and closer impact on higher utilization indicators for excavation resources and automotive means of transportation, the workers of units belonging to the Basarabi Heavy Equipment Enterprise, the Constanta Hydrotechnical Construction Enterprise, and automotive transportation enterprises, in close collaboration with the specialized personnel of site groups 3 and 103, will increase the rate of excavation and transportation, which during the coming months will exceed 20 million tons per month. At the national youth site, along a 10 km portion of the canal in the high plateau area, between kilometers 45 and 55, young people in blue overalls, alongside and together with older workers, excavate and send to deposits or to the land mass that is being created in the sea for the future port, millions of cubic meters of chalk, clay, and limestone; they erect walls to support the banks, drain the water seeping from the strata cut by excavator shovels, and construct protection over hundreds of thousand square meters of canal banks, creating a new landscape in this zone of Dobrogea.

The year 1981 is a decisive one for the completion and opening of the canal; as a result, the programs formulated and discussed by party organs and organizations, as well as by the collective management organs of the Danube-Black Sea Canal Central and its subordinate units, plan the execution of a much larger volume of work than in 1980. By ensuring average daily rates of 260,000 cubic meters of excavation as compared to 118,000 in 1980, of 30,000 cubic meters of dredging as compared to 25,000, of 1600 cubic meters for concrete pouring as compared to 1900; and of 5700 square meters of bank protection as compared to 2500 square meters in 1980, the plan tasks will be achieved and surpassed.

Aware of the importance of their mission, builders who carry out their activities from Cernavoda to Agigea are determined to confirm by deeds the trust placed in them by the party leadership, and to complete and open the Danube-Black Sea Canal, an objective that is part of the program for a multilateral and harmonious development of our nation.

11,023
CSO: 2700/202

EXPERIMENTAL ROBOT FOR PRESSES INSTALLED IN BUCHAREST PLANT

Bucharest SCINTEIA in Romanian 24 May 81 p 2

[Article by Vlaicu Radu: "Romanian Technical-Scientific Achievements--A Specialized Robot for Presses"]

[Excerpts] On the basis of studies, a collective of specialists in the Institute for Light Industry Designs (IPIU) in Bucharest determined the opportuneness of the use of industrial robots in certain work places. Such a work place is the drawing press where, considering labor safety, the repetitiveness and the content of the work (the level of interest of the operator), the limited productivity, etc the replacement of the human operator with a robot is justified.

The first model tested, a RIP-89 type robot--conceived by specialists in the IPIU and produced in cooperation with the Enterprise for Research Equipment and Apparatus in Bucharest--was mounted on a hydraulic press in the "Metaloglobus" enterprise in Bucharest, which processes outer shells for Diesel oil filters. In contrast to other industrial robots which have a certain independence, in this case the press and the robot constitute a unit since they are interconnected. The robot executes the following operations: it takes a part from the depository, it places it on the alignment board, it checks the thickness, it sprinkles it with emulsion for drawing, it puts it in the press, removing the part drawn earlier, it orders the press to start and then the entire cycle is repeated. These operations have been executed by two operators and the productivity of the robot is 24 percent greater, turning out 95 more parts each hour.

Only the beginning of the process of bobotization has occurred in the "Metaloglobus" enterprise. Specialists from the IPIU intend to introduce this type of robot on an additional 20-30 types of drawing presses and other presses after the completion of studies on the optimization of manufacturing processes in six enterprises of the Ministry of Light Industry.

CSO: 2700/284

YUGOSLAVIA

LACK OF FOREIGN EXCHANGE HITS METALS INDUSTRY

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 10 Apr 81 p 8

[Text] [Belgrade, 9 April] Representatives of metals industry organizations met in the Yugoslav Economic Chamber to consider the situation regarding the supply of steel and steel products after the statements of numerous ironworks concerning their production capacities for this year. Due to the shortage of foreign exchange for importing raw materials, the ironworks are obliged to reduce their production plans of certain types of products. The ironworks in Skopje will be forced (if no source of foreign exchange appears in the meantime) to reduce production of the following materials: thick and intermediate plates by about 80,000 tons, hot rolled sheets by close to 50,000 tons, and cold rolled plates by a full 184,000 tons. The Sisak ironworks lacks about 852 million dinar equivalent in foreign exchange to fulfill its production program. Therefore, there will be fewer steel castings, hot rolled sheets, non-ferrous plates, steel pipes and supplies for the food and chemical industries.

The Boris Kidric ironworks in Niksic lack more than 25 million dollars, and will be unable to acquire some 40,000 tons of scrap steel. If these funds are not obtained, it will mean about a 16 percent reduction in planned steel production for the year. Slovenian ironworks lack about 624 million dinars worth of foreign exchange needed to achieve this year's planned production.

According to data from members of the metals industry, the labor organizations that were unable to fulfill their foreign exchange quotas did not agree to shipments to the ironworks. It was determined at the meeting of representatives of the metals industry in the Yugoslav Economic Chamber that apparently it will be necessary to speak individually with each ironworks in order to learn how the situation concerning steel supplies can be improved. If that does not happen soon, it is certain that the situation will reflect unfavorably on a unhampered production process in labor organizations of the metals industry.

12,131
CSO: 2800/243

SLOVENIAN PROJECTS IN UNDERDEVELOPED REPUBLICS

Belgrade PRIVREDNI PREGLED in Serbo-Croatian 20 May 81 p 12

[Text] To support cooperation, the (Economic) Chamber will organize meetings with all Slovenian labor organizations that are involved in its projects, as well as with ones that could offer programs.

[Ljubljana, 19 May] At a session of the executive council of the Slovenian Economic Chamber chaired by Andrej Verbic, president, the center of attention was information about the tasks of the chamber in connection with ties between the Slovenian economy and the economies of underdeveloped republics and the province of Kosovo. The chamber has been active in this area. Five years ago a joint study was prepared for Kosovo, which served as a platform for further mobilization and greater activity in the current intermediate plan period.

Slovenia has invested 23.5 billion dinars in the more rapid development of the underdeveloped republics and Kosovo, of which 50 percent was through the Fund, and the rest through self-management pooling of resources in the period 1981-1985. A number of projects were also prepared.

In the territory of Kosovo, the most interesting is Aera, Celje, the project, with the Progres enterprise of Kosovska Mitrovica, for the production of self-copying paper, and the joint investment of Iplas of Koper, Kolor of Medvode, and Elektrokosovo, for the production of posts of reinforced polyester. We should not leave out the projects of Iskra for the production of thermal apparatuses, and of Termika in Ljubljana for producing electrical insulator materials.

In Bosnia and Hercegovina, the project closest to realization is that of Gorenje for construction of a refrigerator factory in Bihac with annual capacity of 600,000 refrigerators. Joint investments by Slovenian ironworks and those at Zenica should provide the necessary raw materials. Agricultural projects have also been prepared for this republic.

In Montenegro, the Emona project for the construction of a hotel named the Otrant at Ulcinj will soon be completed. Gorenje and Varstroj will build a plant for building sanitary cabins with Monter in Pljevlje. The Slovin winery project includes planting 1,000 hectares of vineyards. In agriculture, there is another interesting project from Emona on the construction of 2 livestock farms, and the Ljubljana creamery KIT has a project for a collection center with milk processing lines at Bijelo Polje. A very interesting study in retail business has been done by the Celje developmental center that will provide 3,000 jobs.

The Slovenes have established extraordinary cooperation with Macedonian businesspeople. Of all the projects, the most interesting is the joint investment program of the Mezice mine, Cinkarna of Celje, and the Zletovo Metal Complex, for new facilities to produce lead and zinc concentrate. Termika and Geobiro in Bitolj are preparing a self-management agreement to pool their resources to expand the capacity of the perlite mine, and Slovenijales anticipates new facilities for the production of colonial furniture. Iskra has an interesting project to produce electrical contacts, and it foresees a transfer of technology for single-phase meters. Gorica and Mlaz in Bogdanovici will invest in the production of heavy trucks.

In order to support organizations of associated labor in greater activities in this area, the chamber will organize meetings with all labor organizations that are involved in its projects, and also with ones that could offer such programs. General associations are also becoming involved in these activities.

12,131
CSO: 2800/243 END

END OF

FICHE

DATE FILMED

July 1, 1981